

G20 PRINCIPLES FOR QUALITY INFRASTRUCTURE INVESTMENT

DEMOCRATIC REPUBLIC OF CONGO



EXPANDING ACCESS TO ELECTRICITY AND SERVICES

In a recently liberalized power sector, scaling up access to electricity relies heavily on the capacity of the government to properly oversee its expansion. Through the Electricity Access and Service Expansion project, the World Bank supports DRC's efforts to improve infrastructure governance by building the capacity of key power institutions as well as institutional and regulatory strengthening. This is a crucial step to support DRC's goal to provide electricity to 26.5 million households by 2030.

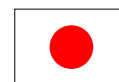
DEVELOPMENT CHALLENGE

Despite the considerable potential of DRC's hydropower and solar resources, its energy sector is characterized by very low electricity access, weak regulatory and implementing institutions, and limited private sector investment. The state-owned power utility Société nationale d'électricité (SNEL), which had been the monopoly operator until 2014, generated insufficient revenues to maintain and expand a very limited and fragmented network. Due to the stagnating access rate, DRC is one of the top 10 least electrified countries in the world, with less than 17 percent of the population able to access electricity¹. With the 2014 Electricity¹ Act, DRC expected to increase electricity access by liberalizing the power sector. However, private sector involvement in electricity access expansion is still very limited due to many deterrents, including the country's poor institutional and legal environment. As SNEL remains the major operator in this environment, the government aims to address the utility's operational and financial challenges to rapidly bridge the demand-supply gap, while continuing to pursue liberalization.

¹ No more than 17 percent of the DRC's population has access to electricity according to household surveys reviewed for the 2019 Tracking SDG7 report, while official government statistics place that rate at 9 percent.

WORLD BANK PROJECT

The \$145 million [Electricity Access and Service Expansion project \(EASE\)](#) supports DRC to advance toward its universal electricity access goal through a wide-ranging approach combining different investment strategies that benefit several stakeholders. In order to respond to urgent needs for electricity services, the project supports SNEL in improving its service to households through the upgrade and rehabilitation of its existing distribution network in Kinshasa and Gbadolite. At the same time, to support additional private sector involvement in expanding power access, the project established a Credit Support Facility to provide financing for commercial investments. It also established an Electrification Fund to address consumer affordability and fill the viability gap for near-commercial investments in renewable power generation, in particular supporting mini grid operators and off-grid solar home system companies. Given that the sector is newly liberalized, the implementation and sustainability of the project relies heavily on the capacity of the government to oversee access expansion. To this end, the project includes a grant of \$25 million to support the development of a geospatial electricity rollout plan and to provide capacity building and technical assistance to strengthen the role of the Ministry of Energy and Water Resources (MERH), to enable operationalization of the rural and peri-urban electricity agency (ANSER) and the electricity sector regulator (ARE), as well as to strengthen other sector stakeholders such as SNEL.



OPERATIONALIZATION OF QII PRINCIPLES

Institutional strengthening is integral to support MERH's sectoral policy making and the operationalization of ARE and ANSER. Both agencies are essential to expand private participation in electricity access outside of SNEL's service areas. Principle 6 of the [G20 Principles for Quality Infrastructure Investment \(QII\)](#) is operationalized as follows:



QII PRINCIPLE 6 : STRENGTHENING INFRASTRUCTURE GOVERNANCE

The project helps MERH address institutional and regulatory issues, especially the full implementation of the 2014 Electricity Law and implementing decrees, which remains limited and restrains private investments and public-private partnership (PPP) capacity.

The project includes the provision of technical and advisory services to build up ANSER's capacity in business plan preparation and analysis, engineering assistance, technical appraisal, and due diligence of business plan and sub-projects for power factor improvement. It also supports ANSER in developing procedures for reviewing grants and subsidies for electrification sub-projects, especially the development of an operations manual for the Electrification Fund.

Building the capacity of ARE will allow for the full implementation of the regulatory PPP framework established by the 2014 Electricity Act. Procedures and guidelines are yet to be drafted, constraining the private sector to rely on the concessions, leases, management contracts, and licenses established by the 2014 law. The project will support ARE's development of standard concession contracts, procedure manuals, and regulatory assistance in setting tariffs—filling a regulatory void. Institutional strengthening is fundamental to ensure capacities in analyzing business proposals, approving funding, and overseeing the access expansion outside of the SNEL service area. Developing well-designed and capable institutions is essential to the development and implementation of RDC's access roll-out plan that requires the testing of multiple business models (on both grid and off-grid service delivery, including the public sector, private sector, and public-private options) to detect and scale up the most effective approaches for access expansion.

The World Bank supports DCR's sector planning and investment preparation by financing the development of an electrification strategy and a least-cost geospatial electricity rollout plan. A national geospatial electrification plan with the preparation of a short-term investment prospectus is being developed. The creation of a pipeline of investments based on sector-wide planning will provide a framework to leverage financing. This project also funds the feasibility studies and preparation of bidding and contractual documents for the electrification of the remaining unserved provincial capital; prefeasibility studies for the electrification of 21 provincial cities are already launched. The project also supports the development of hydro resources through the identification and screening of mid-size hydropower sites, improving public and private financing prospects.



MAKING A DIFFERENCE

The project supports the establishment of a strategic framework and institutional mechanism for swiftly scaling up electrification in the DRC. The execution of the roll-out access plan combined capacity building, organizational development, and technical support with a learning-by-doing process. By doing so, the project provides essential technical resources for project implementation and monitoring while maximizing capacity and institutional strengthening. This project is the cornerstone of the government's larger national electrification program and will pave the way for future sub-projects and the development of mid-size hydropower projects.

ABOUT THE QII CASE STUDY SERIES

This case study is one of eight developed by the Quality Infrastructure Investment (QII) Partnership to illustrate how the QII Principles are being applied in practice. The World Bank Group and the government of Japan established the QII Partnership to raise awareness and scale-up quality infrastructure investment aligned to G20 QII Principles in developing countries.

Access the entire series at www.worldbank.org/QII.