

Rwanda: Energy and Power Sector Project

The challenge:

The energy crisis in 2004 encouraged Rwanda to diversify its sources of grid energy. However, its efforts to secure a concession and power purchase agreement revealed capacity weaknesses on the part of the Government of Rwanda. These included a lack of negotiating expertise, a weak regulatory and legal framework, and inadequate technical, legal and administrative capacity in the Ministry of Infrastructure.



Rwanda had not tapped into the opportunity to generate electricity from Lake Kivu which contains an abundance of methane gas. Its extraction would also carry environmentally friendly benefits and would potentially earn Rwanda carbon credits.

The solution:

ICF partnered with the Government of Rwanda to strengthen the Government's ability to bid, contract and negotiate with the private sector in order to reach fair and beneficial terms and conditions on power generation projects. The total cost of the project was US\$ 4.3m. Of this, ICF provided US\$ 2.362m, Government of Rwanda provided US\$ 1.271m, and Government of Netherlands and the World Bank together provided US\$ 667,000.

Impact:

- 262 Rwandans in the energy sector and 50 graduate engineering students were trained, enhancing the capacity of the Ministry of Infrastructure and related energy institutions. Training provided in the areas of tariff setting and financial modelling, hydropower plant maintenance, contract negotiation and management, and Geographical Information Systems.
- 6 foreign experts successfully worked side by side with local counterparts as part of a knowledge transfer mechanism.
- 5 strategic studies were completed with policy and practical implications. These include the Electricity Access Study, the Electricity Tariff Study, the Geothermal Development Study, and the Hydropower Strategy.
- A Lake Kivu monitoring team was established to monitor methane stability and do surveillance of the Lake Kivu ecosystem parameters. It has also developed an institutional framework for the bilateral management of the methane resource.
- A national grid code was developed

Project duration: October 2008 – December 2011

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