



Rwanda

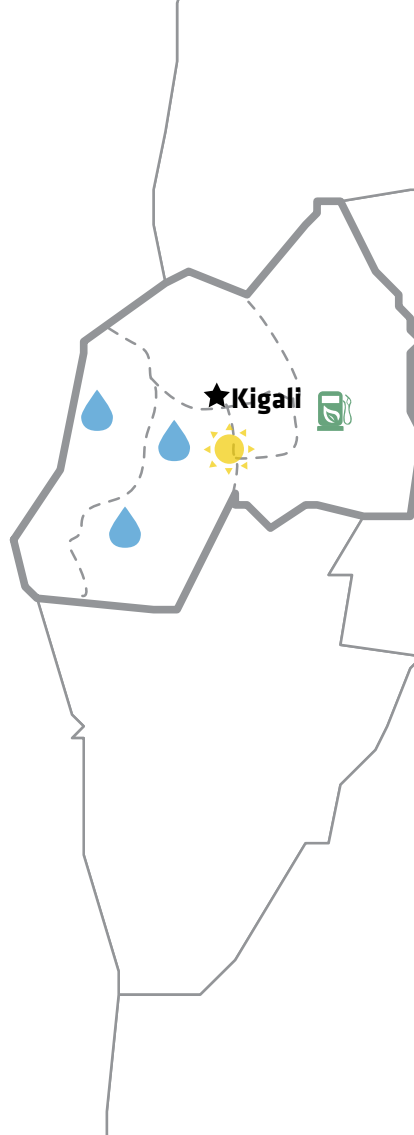
GDP: **\$7.9bn**Five-year economic growth rate: **6.7%**Population: **12.1m**Total clean energy investments, 2009-2014: **\$102.0m**Installed power capacity: **140.6MW**Renewable share: **63.4%**Total clean energy generation: **297.6GWh**Top energy authority: **Ministry of Infrastructure****OVERALL RANKING**

2014

2015

23**17****OVERALL SCORE**

2015

1.41

PARAMETER	RANKING	SCORE
I. Enabling Framework	02	2.01
II. Clean Energy Investment & Climate Financing	15	0.77
III. Low-Carbon Business & Clean Energy Value Chains	26	1.86
IV. Greenhouse Gas Management Activities	42	0.67

SCORE SUMMARY

Rwanda scored 1.41 in *Climatescope* 2015, placing it 17th on the list of countries overall. The country gained six places on its ranking in 2014 thanks to improved scores on Enabling Framework Parameter I and Clean Energy Investment and Climate Financing Parameter II.

The country was strongest on Parameter I, where it placed second globally, behind only Uruguay. This reflected growth in its already high proportion of clean energy generating capacity.

On Parameter II, Rwanda's score rose sharply thanks to an increase in the growth rate of clean energy investment.

On Low-Carbon Business & Clean Energy Value Chains Parameter III, the country's score was slightly better than average. It was supported by a relatively high number of distributed clean energy value chains and service providers.

Rwanda was ranked 47th on Greenhouse Gas Management Activities Parameter IV as it has no carbon reduction policies.

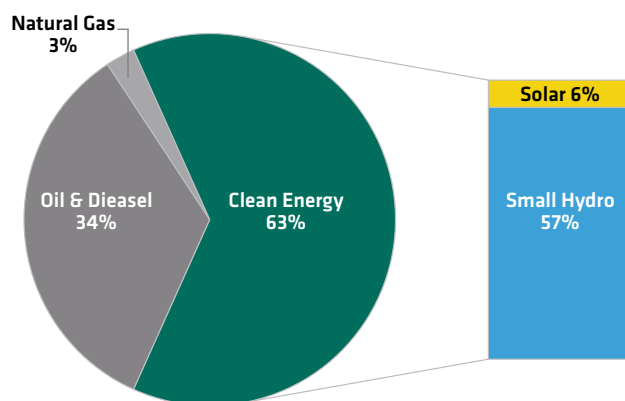
For further information, access www.global-climatescope.org/en/country/rwanda

OVERVIEW

Rwanda has one of the smaller energy sectors among sub-Saharan countries – but one with a lot of activity. The government is pressing toward two ambitious targets by June 2018: to increase Rwanda's power capacity to 563MW and access to electricity by its residents to 70%.

INSTALLED POWER CAPACITY BY SOURCE, 2014 (%)

140.6MW total installed capacity



Source: Bloomberg New Energy Finance, Rwanda Energy, Water and Sanitation Authority, Rwanda Utilities Regulatory Authority

The government has several tools to hit its 563MW target: tenders, unsolicited proposals, a small hydro feed-in tariff, mini-grids and utility reform. Renewables supply most of the country's power, with 57% hydro and 6% solar; the rest is mostly diesel. The capacity pipeline has solar and hydro falling just below 50% of the total by July 2018, with a natural gas recovery project and peat taking greater shares.

In 2014, Rwanda commissioned the largest PV project in sub-Saharan Africa outside South Africa. The 8.5MW solar farm was developed by GigaWatt Global and constructed by Scatec Solar, which is also an equity investor. Norfund, FMO, OPIC and the Emerging Africa Infrastructure Fund were other investors in the \$23.7m project.

KEY POLICIES

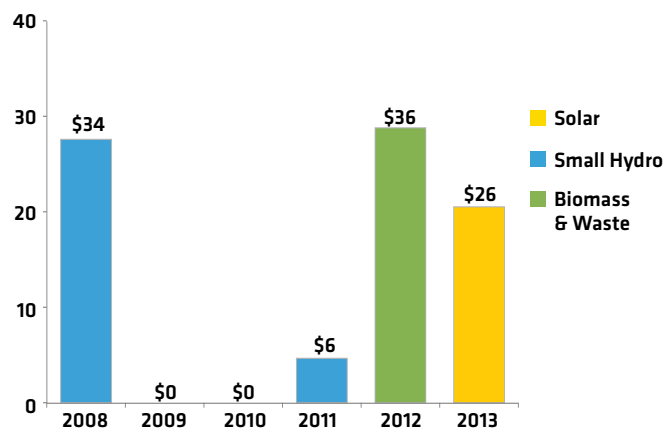
Energy Target	Increase total capacity to 563MW and electrification to 48% by 2017.
Feed-in Tariff	Specifically for hydro projects smaller than 10MW, fixed for three years then subject to review.
Auction	Held by the Energy Water and Sanitation Authority specifically for solar capacity of 18.5MW in 2013.
Debt/Equity Incentives	Grants for household biogas digesters and for subsidized connections to the grid. National fund for low carbon and energy innovation to be operational by 2016.
Tax Incentives	There are regional and national tax reductions and import duty exemptions for a range of energy supply equipment, and also accelerated depreciation for projects.

Source: Bloomberg New Energy Finance Policy Library

Feed-in tariffs are the main support for small hydro and micro-hydro projects. Developers have complained that the current FiTs, at \$67–\$166/MWh, are not high enough to support new projects. The Rwanda Utilities Regulatory Authority (RURA), is considering whether to raise the FiTs, and needed to publish new regulations in 2015 to avoid the scheme lapsing.

ANNUAL INVESTMENT IN CLEAN ENERGY, 2009-2014 (\$m)

\$102.0m total cumulative investment



Source: Bloomberg New Energy Finance

Notes: Total investment includes: Asset Finance, Corporate Finance and Venture Capital / Private Equity Commitments.

RURA is also producing new regulations for mini-grids. The new regulations will simplify the licensing process and create three new forms of mini-grids. They will also provide for new 'small power distribution providers' serving up to 20,000 customers without being involved in generation.

The new electric utility, the Rwanda Electricity Group (REG), is a wholly owned government enterprise. Operations are carried out by two subsidiaries – the Energy Development Corporation Limited (EDCL) and the Energy Utility Corporation Limited (EUCL). EDCL supports new capacity development – by itself and independent power producers. EUCL is a more traditional utility, operating generation and selling the power.