



United Nations
Economic Commission for Africa



Regulatory Review of the Electricity Market in Rwanda:

**Towards Crowding-in Private
Sector Investment**





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Executive Summary

This report provides an analysis of Rwanda's electricity sector policies, laws, and regulations in relation to crowding-in private sector participation in developing national electricity infrastructure. The report is part of the United Nations Economic Commission for Africa and RES4Africa Foundation joint program on *Regulatory Review of the Electricity Sector in Africa: Towards Crowding-in Private Sector Investment*.

The electricity market of Rwanda saw rapid improvements in power generation and network expansion, reaching 227 MW capacity in 2020 from more than 40 generating plants. Through the Energy Sector Strategic Plan, major investments are implemented to increase generation capacity and expand electricity services to a growing number of households through on-grid and off-grid systems. Rwanda is seeking accelerated economic and social development. The associated demand for electricity is also expected to increase significantly. Meeting this demand and established energy sector goals require a major expansion of the national electricity capacity and additional investments. In this context, complementing the public sector, the role of the private sector is expected to grow.

Rwanda has made major strides in crowding-in private sector investment in the generation segment of the electricity market, as well as in off-grid investments. To meet the transformation aspiration, enabling the participation of the private sector across the electricity market value chain will be essential.

In line with this general objective, the purpose of this regulatory review is to pinpoint the main strengths and gaps of the policy and regulatory framework currently in force related to private sector participation in the entire electricity market. It further aims to offer concrete recommendations for regulatory improvement and reform towards attaining a competitive, resilient, and sustainable electricity market.

The regulatory analysis is undertaken following a comprehensive UNECA and RES4Africa regulatory review methodology, which was developed with the participation of African and international regulatory experts. The approach enables three broader assessments: the degree of *openness* of the electricity market to the private sector based on evaluation of the power sector structure and governance; the *attractiveness* of the market based on an assessment of sector economics, fair competition, and overall economic regulation; and the *readiness* of the market based on an assessment of technical regulations.

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