Extractive Industries Transparency Initiative

FACTSHEET
APRIL 2022
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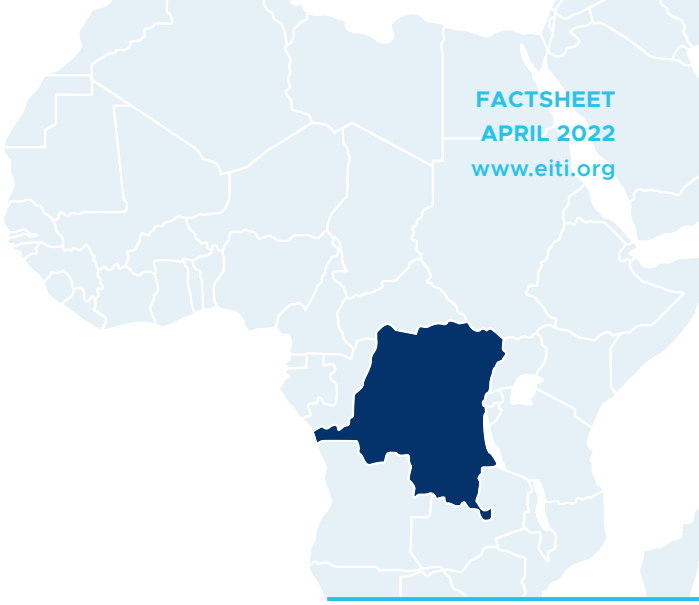


PATHWAYS TO ENERGY TRANSITION

Democratic Republic of the Congo

The Democratic Republic of the Congo (DRC) intends to conditionally reduce its greenhouse gas (GHG) emissions by at least 21% by 2030.[2] While the DRC has historically been a low emitter, the country's 2021-2023 National Sustainable Development Strategy includes plans to increase the use of renewables and improve energy access,[3] partly through hydropower and solar electricity generation.

The DRC is also the world's the largest producer of cobalt and third largest producer of copper. Both minerals are critical for clean energy technologies, and demand for these resources are projected to increase in response to the global energy transition. Data and multi-stakeholder dialogue will be key to support the country's energy transition plans, inform sustainable transition pathways, support good governance of critical minerals and monitor climate commitments.

70%

DRC's share of global cobalt production in 2021[1]

How EITI data and dialogue can be used

Data reported through the EITI can serve as an entry point to inform debate and policymaking related to the DRC's domestic energy transition plans. The EITI process also seeks to improve governance of the DRC's mining sector, given the importance of critical minerals used in low-carbon technologies. EITI data-driven forecasting can provide evidence for policymakers to manage risks and leverage opportunities.

Issue	Key questions for debate and analysis	Data reported through the EITI
Revenue resilience and optimisation	How much revenue does the government currently earn from the fossil fuel and critical minerals sectors? How could different energy transition and commodity price scenarios impact anticipated revenue flows?	Comprehensive disclosure of taxes and revenues (Requirement 4.1) Revenue management and expenditures (Requirement 5.3)
Environmental impact	What are the environmental impacts of the critical minerals sector (e.g. deforestation)? How can the EITI process be used to monitor such impacts?	Social and environmental expenditures by extractive companies (Requirement 6.1) Environmental impact of extractive industries (Requirement 6.4)
Governance and corruption risks in the critical minerals sector	What measures is the government taking to identify and address governance and corruption risks related to critical mineral exploration, production and exports?	Legal framework and fiscal regime (Requirement 2.1) Contract and license allocations (Requirement 2.2)

1 US Geological Survey (2022), *Mineral Commodities Summaries: Cobalt.* Retrieved from https://pubs.usgs.gov/periodicals/mcs2022/mcs2022-cobalt.pdf.

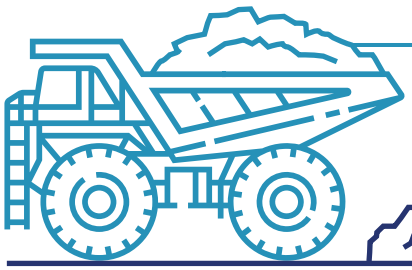
2 Government of the Democratic Republic of the Congo (October 2021), *Contribution Déterminée à l'échelle Nationale révisée.* Retrieved from https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Democratic%20Republic%20of%20the%20Congo%20First/CDN%20Revis%C3%A9e%20de%20la%20RDC.pdf.

3 Ibid.

PATHWAYS TO ENERGY TRANSITION

DRC's energy and mining sector in numbers

Production of critical minerals (USD, 2019)[5]



1.42m tonnes

Copper

78,000 tonnes

Cobalt

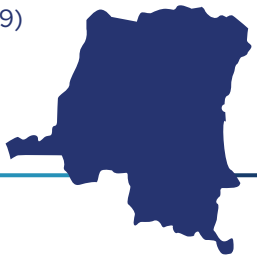
46%

Contribution of mining and petroleum sector to national GDP in 2019[4]

Total export earnings (USD, 2019)

57% (8.5bn)

Copper



28% (4.2bn)

Cobalt

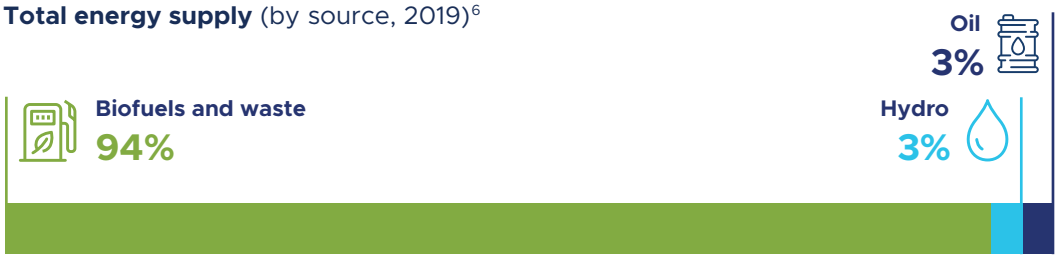
Laws and policies

Prime Ministerial Decree No. 18/042 of 2018, which declared cobalt a strategic mineral

DRC National Adaptation Plan 2022-2026

DRC 2021-2023 National Sustainable Development Strategy

Total energy supply (by source, 2019)[6]



ENERGY TRANSITION IN ACTION

Grand Inga hydropower project

The DRC has vast solar, wind and hydropower potential, and the government committed to increasing the share of renewable energy in the national energy mix as part of its nationally determined contributions (NDCs) under the Paris Agreement. In 2013, the government announced plans to develop an ambitious hydropower scheme at a cost of USD 14 billion. However, the first phase of the project – the Inga 3 dam – has been subject to public debate given its potential ecological, social and economic impacts, and stakeholders have expressed concerns over the project's governance and financial risks.

The DRC's EITI multi-stakeholder group (MSG), ITIE-RDC, can use the EITI process to improve governance of the renewable energy sector, specifically the Grand Inga project. Furthermore, ITIE-RDC can work with other industry stakeholders to stimulate public debate on the country's energy mix and to track the country's progress in meeting its NDCs in the coming years.

4 ITIE-RDC (2021), *Rapport Assoupli ITIE-RDC 2018, 2019 et 1er Semestre 2020*, https://eiti.org/documents/democratic-republic-congo-2018-2020-eiti-report-1st-semester.

5 Ibid.

6 International Energy Agency, "Democratic Republic of the Congo", https://www.iea.org/countries/democratic-republic-of-the-congo.