

# THE CURRENT REVIEW PROCESS OF ZAMBIA'S NATIONAL ENERGY POLICY

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## CONTENTS

1. ESSENTIAL STATISTICS
2. ENERGY RESOURCE BASE
3. CURRENT (1994) ENERGY POLICY
4. WHY REVIEW THE ENERGY POLICY
5. AGENDA FOR THE NEW ENERGY POLICY
6. THE REVIEW PROCESS
7. SOME NEW ISSUES
8. LESSONS LEARNT
9. CONCLUSION



# 1. ESSENTIAL STATISTICS

- ZAMBIA
  - Southern African country
  - Population ~ 10.5 million
  - Economic drivers
    - Mining
    - Agriculture
    - Tourism

THE CURRENT REVIEW PROCESS OF ZAMBIA'S NATIONAL ENERGY POLICY



# 2. ENERGY RESOURCE BASE

- Wood fuel (biomass)
  - Accounts for about 80% of national energy consumption
    - Deforestation concerns
- Electricity
  - Accounts for 12% of national energy consumption
  - Hydro power potential high ( Potential - 6000MW, Installed capacity - 1670MW)
  - Enough for local consumption and export

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## ENERGY RESOURCE BASE CONT...

- Petroleum
  - wholly imported
  - Accounts for 14% of energy consumption
- Coal
  - Wholly indigenous
  - Accounts for only 2% of consumption
- Renewable Sources of Energy
  - Zambia endowed with a lot of resources
  - Low utilization levels

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## 3.CURRENT (1994) ENERGY POLICY

- **BACKGROUND**
  - **Prior to 1991:**
    - No coherent energy policy – merely statements in different Government documents
    - National Development Plans
    - Presidential Statements/Ministerial Statements
    - Energy Issues represented only at Departmental Level
    - A Centralized Economic Planning/public sector driven economy suited this type of arrangement

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## CURRENT (1994) ENERGY POLICY CONT...

### 1. WHY THE 1994 ENERGY POLICY?

- Advent Of Multi-party Democracy
  - Need for stakeholder voice to be heard in developmental process
  - Need for Govt & its partners to dialogue
- The Privatization Challenge
  - Government agenda must be known
  - Need for clear policy
  - The Environmental Challenge
- Responding to the *environmental decade*
  - Activities to be evaluated not only on their present benefit but their long term impact

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## CURRENT (1994) ENERGY POLICY CONT...

### 2. THE 1994 ENERGY POLICY AGENDA

- Raising the profile of energy in the Zambian economy
  - Energy Ministry recently created
- Give guidance to establishment of an equitable institutional arrangement
- Advocate the creation of a good legal framework
- Create basis for attracting private sector participation
- Create linkages to other sectors of the economy
- Provide guidelines to long term energy planning
- Profile the country's diverse energy resources
  - Focus on indigenous sources
  - Reduce foreign resource dependence as far as is possible

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## **CURRENT (1994) ENERGY POLICY CONT...**

### **3. HOW WAS THE 1994 ENERGY POLICY FORMULATED?**

- Stakeholders Consultations.
  - Group of 'Energy Experts' met to formulate energy policy
  - No nationwide engagement of stakeholders

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## **4.WHY REVIEW THE ENERGY POLICY?**

- Need to address new emerging issues in the energy sector
  - e.g - participation of private sector in rural electrification
- Respond to the restructuring of the economy
  - From copper mining based to other sectors
- Economic repositioning within the region & beyond
- Tackling poverty – need for new approaches
  - Paradigm shift

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## **5. AGENDA FOR THE NEW ENERGY POLICY**

- Be vehicle for creating wealth for poverty reduction.
- Should speak the language of development
- Should emphasize linkages between energy and sectors it supports, e.g
  - Agriculture
  - Education
  - Health
  - SMEs

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## **6. THE REVIEW PROCESS**

- STARTED IN MARCH 2004
- 1. 1<sup>st</sup> National Stakeholders' Consultations
  - Comprised identified stakeholders in the energy sector
    - Identification of issues for review
    - More active participation of the private sector in the discussions

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## REVIEW PROCESS CONT...

### 2. Nationwide consultations

- All provinces engaged in consultations (total of 15 w/shops)
  - Issues that were not thought about by ‘experts’ emerged
  - Raised awareness levels of energy issues by the public

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## REVIEW PROCESS CONT...

### 3. 2<sup>nd</sup> National Stakeholders Consultations

- More enhanced participation
- Provincial inputs consolidated
- Modalities of how to implement provincial ‘wishes’ discussed
- The need for an implementation strategy emphasized
- Enhanced participation from donor countries/agencies

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## REVIEW PROCESS CONT...

### 4. Implementation Strategy

- Currently being worked out
- To be used for monitoring purposes



## REVIEW PROCESS CONT...

### 5. Next steps

- i. Review of final draft by government agencies
  - Tie up any loose ends
- ii. Cabinet approval



## 7. SOME NEW ISSUES

- Promotion of biofuels
- Broadening the focus on alternative fuel
- Setting the stage for enhanced participation of the private sector
- Crosscutting issues – HIV/AIDS, Gender & Environment

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## 7. LESSONS LEARNT

- i. Review offers opportunities:
  - to take stock of the sector
  - to re-orient the sector in line with the socio-economic environment
  - To raise the energy awareness levels of the public

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## **LESSONS LEARNT CONT...**

- ii. Need for government commitment to the process
- iii. Need for financial support from partners.
- iv. Need to consult widely
  - The real ‘experts’ are rarely consulted.



## **8. CONCLUSION**

Government policies need not be rigid.  
If energy is to play its role in poverty reduction, then positive change should be embraced in the sector.



**TAKE THE EXTRA STEP**

**THE END**

