Based on your country’s experience, how can LLDCs create an enabling environment for private sector investment and how can they best be assisted in these efforts?

A. Legal Frameworks

The following Governance frameworks are in place to drive the sector:

2. Electricity and Energy Regulation laws
3. Power Systems Development Master Plan
4. Rural Electrification Master Plan (2008 -2030)
5. Vision 2030 “Energy Chapter”
6. Revised Sixth National Development Plan

B. Government Initiatives

1. Removal of Tax on Technologies

   The Government has zero rated and removed taxes on all renewable energy technologies in Zambia. This is in the quest to encourage more investment in other alternative energy sources.

2. Cost reflective tariffs

   Government has agreed in principle to move towards a cost reflective tariff to encourage investment into the sector as well as diversification in the sector.

3. Banning the use of incandescent bulbs

   The Government banned the use of incandescent bulb as a new measure that will help relieve the pressure that’s being experienced on the National Grid. The Migration path is towards the use of Led lights for industrial and house hold use.

4. Investment Incentives

   Government through the Zambia Development Agency offers tax holidays and tax breaks of up to 5years to any investment in the energy with a minimum investment threshold of up to 500million dollars.

C. Challenges

Historically the sector has faced the following challenges;

- Low energy tariffs
• Lack of investment in the energy sector
• Lack of diversity in generation sources
• Low Transmission Capacity to certain parts of the country
• Low electricity access rates especially in the rural areas
• Heavy dependence on biomass as the major source of energy especially for households