

“The DRC government should publish all agreements between SNEL and TFM regarding the rehabilitation and modernisation of the Nseke hydroelectric power plant”

African Resources Watch (AFREWATCH), a nongovernmental organisation working for the advancement of human rights in the sector of natural resources is concerned by the lack of transparency in the application of the agreements between Tenke Fungurume Mining (TFM) and the State-owned electricity company (SNEL) on the rehabilitation and modernisation of the Nseke hydroelectric power plant and the electricity networks in the province of Lualaba in the Democratic Republic of Congo.

Between 2006 and 2008, TFM and SNEL concluded several agreements on the rehabilitation and commercialisation of electricity; 140 million US\$ was lent to SNEL with a possible 20% increment of the investment cost¹. According to these agreements SNEL was requested to repay this loan through revenues generated from the commercialisation of electricity to TFM. The 2006 agreement entrusts TFM to carry out assessment studies and to undertake the construction of the Nseke hydroelectric power plant which should have been completed by the first quarter of 2012²

By December 2012, some works were completed including the restoration of power grids, the installation of new high voltage cables and the rehabilitation of the Nseke, SCK and Fungurume high voltage stations in addition to the renovation of the turbo-alternator n°3 which should have ended in August 2010³. In 2015, 75% of the works on the Nseke hydroelectric power plant was already done⁴.

AFREWATCH is concerned by the poor level of transparency during the rehabilitation works of the Nseke hydroelectric power plant; the cost of investment which was evaluated at 140 million US\$ in 2008 reached 200 million US\$ in 2009⁵ and 250 million US\$ in 2015⁶. Despite the expiration of the deadline, the works on the plant continued without assessing new investment costs, revealing the sources of funds and publishing related agreements.

In conclusion, AFREWATCH condemns the lack of transparency in the rehabilitation and modernisation works of the Nseke hydroelectric power plant, and recommends:

- a) The Congolese Ministry of power, to:
 - Publish all agreements concluded between TFM and SNEL since 2006 regarding the rehabilitation and modernisation of the Nseke hydroelectric power plant
 - Disclose the repayment amount to TFM for the rehabilitation and modernisation of the Nseke hydroelectric power plant
- b) TFM, to:
 - Reveal its investment cost for the rehabilitation and modernisation of the Nseke hydroelectric power plant and disclose its funding amount to the Congolese government made via SNEL

Lubumbashi, February 20th, 2017

AFREWATCH

¹ Empreintes Milestones http://www.mediacongo.net/docs/Extra/echos/2009/tfm_milestones_week4_fr.pdf

² Protocole d'accord conclu entre la SNEL et TFM

³ https://mediacongo.net/docs/Extra/echos/2009/tfm_milestones_week4_fr.pdf

⁴ <https://www.youtube.com/watch?v=qWcjZnG45Yc>

⁵ Radio okapi : <http://www.radiookapi.net/economie/2009/08/09/kolwezi-poursuite-des-travaux-de-rehabilitation-du-barrage-de-Nseke>

⁶ Nyota radio TV : <http://www.nyota.net/2015/02/10/tfm-rehabilitation-centrale-de-Nseke/>

CONTACT

Physical address: 63A, cnr Maniema & Kambove avenues, Q/ Kiwele, Lubumbashi, Province of Haut-Katanga, DRC

Telephones: +243-81 8 577 577 :: +243-82 230 48 00

Email: info@afrewatch.org website: www.afrewatch.org