About Inga III

Inga III is the first phase of the proposed Grand Inga hydropower project, a series of dams with an energy potential of up to 40 gigawatts. The ultimate design and size has been a subject of significant debate, with options ranging from 4.8 GW and 11 GW. The current assumption is that the work would be phased, beginning first with the 4.8 GW design. A canal would draw water from the Congo River and divert it through the Bundi Valley. The project has been estimated to cost $14 billion and take eight years to build, although these are likely significant underestimates. If Inga III were built to the mooted 11 GW design, the costs would increase and timeline extend significantly.

Inga III would consist of the following components: an intake designed to channel water from the Congo River; a canal to carry the water to the Bundi River valley; a concrete dam wall; a power plant; a transmission line to the capital, Kinshasa; and a 1700km transmission line to the DRC’s mining region. The project has been planned by previous governments for decades, but conflicts, political instability, and lack of financing mean the project has not advanced.

Why this profile?

Inga III is expected to cause a range of harmful impacts, including physical and economic displacement and impacts on biodiversity and marine life. In addition, there are serious governance and financial risks posed by the project.

What must happen

This project presents unacceptable risks to local people through physical displacement and threats to livelihoods; risks to biodiversity; threatens to impact a crucial carbon sink; and threatens both the economic and political stability of the DRC. The project has failed to involve a single free, prior, and informed consultation with potentially affected communities. Furthermore, no environmental impact assessment or mitigation and environmental management plans have been adopted as of early 2020. As such, this project should not go ahead and banks should avoid financing it.
**Issues**

**Human rights and social issues**

**Access to electricity** While over 90% of the population of DRC currently has no access to energy, Inga III’s energy will bypass rural communities. The power generated by Inga III is mainly intended for export and industry and will not improve access to electricity for the population of the DRC. It is expected that much of Inga III’s energy will travel to South Africa, as well as to the major mines in the DRC, including cobalt and copper mines. Thus, Inga III has no prospect of significantly improving access to electricity in the country or contributing to local economic development.

South Africa already committed to purchase 2,500 megawatts and has expressed interest in doubling this should Inga III be built to the 11 GW design. To make this possible, a total of at least 3,100 km HVDC cables have to be constructed through DRC, Zambia and Zimbabwe. 15% of energy will likely be lost in transmission even before it reaches Katanga mining area or the border of South Africa. In addition, Angola also plans to buy 5000 megawatts.

Less than one third of the electricity generated will be used in the DRC and this will be distributed between the mining industry and the general population.

**Displacement of population** The dearth of information about the latest plans for Inga III make it impossible to identify the displacement impacts with any precision. Inga III is expected to divert water into the Bundi Valley, which will eventually flood the valley as the stages of the project proceed. The director of the Agency for the Development and Promotion of the Grand Inga Project, Bruno Kapandji, estimated that 37,000 people will be displaced by Inga III based on the 11 GW design. At the 4.8 GW, the number would be well over 10,000 people. This includes the 9,000 people living in Camp Kinshasa of which many inhabitants were displaced by the development of Inga I and II. The camp was originally built for dam workers but is now inhabited by former workers and displaced families from six different clans. The issues between the government and the communities are still not resolved and communities displaced by Inga I and II say they have not received the compensation promised in 1958. The history of displacement of populations for Inga I and II shows the devastating long-term human consequences of this project, and the construction of Inga III will likely stir up these previous conflicts.

**Loss of livelihoods** The Bundi valley is where the communities of Inga and the surrounding area derive most of their resources. This valley, rich in land and biodiversity, has for centuries nourished the surrounding populations who practice agriculture, fishing, hunting and gathering. The valley is also a cultural cradle, home to cemeteries, sacred sites, and areas of ancestral rites practices. A substantial amount of fertile land will be flooded to create a reservoir for the Inga III dam, resulting in the disruption and loss of livelihoods for agriculture and riverine-dependent communities.

**Absence of transparency and dialogue with affected communities** Since November 2015 the promotion of the Grand Inga project has been handed over to the Agency for the Promotion and Development of the Grand Inga project (ADPI). The ADPI is under direct control of the Presidency and has been criticised for a lack of transparency and supporting investors plans without adequate independent studies.

As of early 2020, no environmental impact assessment has been conducted and no mitigation and environmental management plans have been adopted. The Inga III project design, which has been under consideration by the DRC government for decades and subject to numerous changes, has not involved a single instance of meaningful free, prior and informed consultation with potentially affected communities. Communities have petitioned the government of DRC demanding information disclosure and consultation in 2014 and 2018. Such a lack of transparency does not meet the requirements of good governance. A series of studies were to be conducted by the World Bank in order to comply with environmental and social standards, however these were never completed following its withdrawal of support for the project in 2016. There have been no steps taken to establish a consultative process enabling affected communities to fully participate in discussions surrounding the project design and implementation.

In 2014, local communities requested the establishment of a mechanism for engagement along with a formal consultation process, but to date it has not been established.

**Environmental issues**

**Biodiversity loss** Inga III is likely to cause significant environmental damage, including a loss of biodiversity, increased threat to several endangered species, and a reduction in fish stocks. The Congo River has the highest diversity of freshwater species after the Amazon and is home to at least 700 fish species. Damming the main Congo River will modify the flow regime; largely affect the rapids in the main river; locally affect the natural silt dynamics; and create a barrier for fish migration.

**Harm to Atlantic Ocean ecosystem** The project is also likely to disrupt sedimentation and algae growth in the Atlantic Ocean, which would have unforeseen consequences on the ocean’s ecosystem. In addition, the dam will significantly increase the risk of land degradation, leading not only to environmental damage, but also project cost overruns.

**Deforestation** The 3,100 km of transmission lines to be constructed as part of Inga III will cause deforestation along the route. For the construction and management of these transmission lines roads will need to be constructed.

**Methane emissions** Dams and reservoirs are a significant source of greenhouse gases particularly methane emitted by decomposing vegetation. Methane emissions are likely to increase as a result of the flooding of large tracts of forest. Inga III and the other phases of Grand Inga Dam will also have an impact on the Congo plume, which is one of the largest carbon sinks in the world, essential for the mitigation of climate.

**Other issues**
**Economic risks** The massive cost of this project threatens to plunge the DRC further into debt, compromising its long-term future and prospects for inclusive and sustainable development. The IMF and World Bank have advised the DRC to adopt a cautious approach to external borrowing. Yet, Inga III could mean several billions of dollars of new debt for the government.

According to an analysis conducted in 2017, which assessed the economic viability of the project prior to its expansion, even with fairly conservative estimates of cost overruns and generous assumptions of power generated, electricity prices, and low interest rates, the DRC would stand to lose USD 618 million per year on the project, or nearly USD 22 billion over the project’s 35 year lifespan. This would increase the DRC’s debt burden, harming its long-term economic health.

**Corruption** The corruption risk of Inga III is extremely high, especially because of the lack of culture of accountability. The DRC struggles with a legacy of entrenched corruption, ranking 168th in the world on Transparency International’s Corruption Perception Index, and large infrastructure projects have been particularly susceptible to corruption. The World Bank’s decision to cancel its support to the project was based on the government’s decision to interfere politically in the agency created to prepare the Inga project, and for the government’s attempt to circumvent the World Bank’s procurement process in awarding lucrative contracts.

**Political instability** The DRC suffers from instability and considerable social, political, and land conflicts. Disagreements between the government and local communities are already causing great concern. Resentment is growing among potentially affected communities, particularly the thousands of victims displaced from their land during the construction of Inga I and II, who would again be victims of Inga III. These land grabs, during the construction of Inga II resulted in serious land conflicts, and the Inga III project threatens to create new land conflicts that could lead to community opposition and serious violence.

**Governance**

**Applicable norms and standards**

- African Development Bank Group’s Policy on the Environment
- OECD Guidelines for Multinational Enterprises
- World Commission on Dams

**Other applicable regulations**
- China’s Guidelines for Environmental Protection in Foreign Investment and Cooperation
- Chinese State’s strategy for overseas investment, as outlined by the Nine Principles on Encouraging and Standardizing Outbound Investment

**Updates**

**German investors interested in funding DRC’s Inga III Dam**

Aug 14 2020

A delegation of German investors visited Kinshasa this week looking at investment opportunities in the Democratic Republic of Congo’s (DRC) energy and railway transport sectors.

The business representatives have shown interest in eight potential railway corridors, which are fundamental for the DRC’s economic development, but the big investment target lies in the Inga III Dam, a massive 11000 MW hydropower plant to be built on the Congo river. After years of delays caused by difficulties in securing funding, German and European Union-led financing could finally see the project take off.

**South Africa and DRC plan to press ahead with Inga 3 in the midst of the COVID-19 pandemic**

Jun 30 2020

The DRC has just concluded a week-long conference on the Grand Inga Dam project, in which South Africa restated its commitment to purchase 5000MW of electricity from the proposed project. International Rivers and WoMin raise concerns that it is ill-timed for South Africa, which is in the midst of the Covid-19 pandemic, and cannot afford to place the economy at any further risk by incurring debt to fund the Inga III plans.

**China Three Gorges is reportedly willing to take over Inga III project on its own**

Mar 30 2020

It is reported, but cannot be confirmed, that Three Gorges is willing to take on Inga III project on its own, giving speculation that a concession contract for construction could be moving forward shortly.
NYU’s Congo Research Group publishes new report on SA’s involvement in INGA

Mar 20 2020

The report gives a good background on the political economy logic of South Africa’s interest in purchasing energy from Inga, even when it is known by the officials themselves to be economically irrational. It also confirms that SA official policy is to purchase at least 2.5 GW of energy from Inga, although there are some within the ANC that want that to be 5GW. The report also sites an anonymous source from within the Consortium that states South Africa’s purchasing power agreement is needed for lenders to approve the project (pg. 9). The report also states Chinese officials are worried about the lack of regional consensus which in their view undermines Inga’s financial prospects (12).

In 2018, a senior SA energy minister stated that power from Inga would cost 2-3c/kwh more than their previous lowest cost scenario – costing at least $12million/year to the economy than planned. South Africa’s parliament energy portfolio committee testified in 2018 that investing in domestic power would be cheaper and have more economic benefits for SA. There are also doubts from stakeholders in SA, the DRC and Eskom itself that Eskom has the funds to pay for electricity from Inga.

There is also the issue of the transmission line. There are two known plans, one that would go straight from Inga to SA, and others that would also connect to Zimbabwe, Zambia and Botswana’s energy grid. The grid is estimated to cost over $1bn, (international rivers estimates it at $4bn) not including the needed substations (10-11).

The Minister of SA’s Department of Mineral Resources and Energy is quoted as saying “There is a need to finalise the technical solution for [transmission from Inga to SA]… necessary agreements must be concluded as soon as possible if the hydro option from Grand Inga is to materialize.” Placing this in context that the DRC-SA 2013 signed treaty that states SA will purchase 2.5GW of energy from Inga expires in 2030. With an estimated construction being 7 years, that gives until 2023 for Inga III to start before SA considers other sources to meet the 2.5GW supply (12).

DRC leader to hold conference to revive dam project

Mar 15 2020

The Democratic Republic of Congo President, Félix Tshisekedi, plans to hold a conference on 28th April to seek regional political support for the Grand Inga Dam project on the Congo River. The DRC leader, with the support of the African Union, has invited leaders from Angola, Republic of Congo, Rwanda, Uganda, South Africa and Kenya to discuss the feasibility of the project.

Raila Odinga holds talk on Inga III project with the President of the African Development Bank

Feb 9 2020

Kenyan Opposition leader and current AU high representative for Infrastructure development, Raila Odinga, is said to be involved with the Inga III negotiations. Odinga considers Inga to be one of the most important projects on the Continent. During the 2020 African Union summit in February Raila Odinga met with the President of the AfDB to talk about the Inga III dam project. No details of the meeting were given.

South Africa to fast-track Inga III dam support

Feb 8 2020

As the current assumed Chair of the African Union – South African President Ramaphosa gave his country’s support in fast tracking four major infrastructure projects on the Continent. The top four projects include South Africa working with the DRC, Namibia, Botswana and Angola to develop the Inga III dam.

New Chinese-Egyptian consortium could potentially take over the Inga III project

Feb 3 2020

After Spanish ACS dropped out of the original Chinese-Spanish consortium, authorities in the DRC are contemplating changing their contract to a new Egyptian-Chinese consortium. The Egyptian-Chinese consortium would be made up of Egypt’s Income corporation and the China State Construction and Engineering Corporation. This comes after a high-level Egyptian energy delegation held talks with DRC officials to talk about potential cooperation. CSCEC is one of China’s largest state-owned enterprises who has been active in the global construction space for decades, but has limited experience in large-scale dam building. Egypt Income Co is a well-connected, consultant firm that works on large-scale infrastructure projects. The two companies are currently cooperating on the massive New Cairo City project.

Egypt seeks participation in implementation of Inga project

Jan 27 2020

Egypt’s minister of Electricity and Renewable Energy Mohamed Shaker made a trip to the DRC for talks that included finding ways to create Egyptian participation in the Inga Dam project. His visit also included multiple Egyptian officials and Egyptian private sector energy companies who looked for energy opportunities in the DRC, including cooperating on the Inga dam project.
Spanish ACS withdraw from Inga III project

Jan 22 2020

The Spanish consortium, led by Actividades de Construcción y Servicios (ACS), who are in part responsible for the development of the Inga III hydroelectric project have withdrawn from the project. This is following tensions between the Spanish and Chinese consortium (led by Sinohydro and Three Gorges Corporation), who had been chosen by the DRC government to develop Inga III. Allegedly there existed tensions between the two consortia concerning, in particular, its execution of the project and the distribution of shares within the final consortium.

Workshop on development of Inga III

Jan 13 2020

A workshop was held on 13 January 2020 in Abidjan, Ivory Coast, on the development of the Inga III project. It provided a platform for exchanges and sharing of views between the African Development Bank, the DRC, and other partners to outline a roadmap as part of the effective launch of the development of the Inga site. Parties will review the request and gather support of the financial, technical and political partners necessary for the smooth running of the project.

Tshisekedi plans to halve Inga III’s project size

Dec 19 2019

The forced Spanish-Chinese consortium were counting on Kabila’s handpicked successor Emmanuel Shadary to win December’s election, so they worked closely with him to secure the contract for the 11,050 MW Inga 3 project. Once Tshisekedi was victorious he kept Kabila’s staff on the ADPI but forced them to report to his chief advisor of mining and Energy Michael Eboma Ablavi. Eboma liked the old plan for a smaller 4,800MW dam that could be built faster, but the consortium did not find it economically viable. Currently different factions of Congo’s political elite are selling two different Inga 3 plans.

Angola seeks to buy 5000MW of energy from Inga III

Nov 11 2019

Angola’s energy ministry expressed interest in buying as much as 5000MW of energy from the Inga 3 dam project. This will only happen if the 11,050MW version of the Inga 3 dam is built. Angola hopes to begin their purchases in 2025. The head of communications for the Agency for the Development and Promotion of the Grand Inga Project also stated that Congo now plans to keep 6,000MW of the power domestically.

World Bank suspends support for Inga III dam

Jul 25 2016

The USD 73 million grant, approved by the World Bank in 2014, was cancelled on July 25th 2016. The grant was intended for environmental, social and technical studies to be conducted, which have not been finished yet. The withdrawal of the World Bank clearly shows the deficits of the project and should be a warning for other investors.

Workshop on Inga III

Jun 17 2013

A meeting was held in Kinshasa by the minister of Energy of the DRC, concerning funding arrangements for the Inga 3 dam as part of a regional integration program.

Related companies

Due to a lack of transparency, the composition of the private-sector consortium has never been officially disclosed. Based on company statements and media reports, a number of companies are thought to be involved. Spain’s ACS, long a major driver of the project, dropped out of the Chinese-Spanish consortium in January 2020. This has left the consortium in limbo. Some reports suggest that Three Gorges Corporation may develop the project on its own, or perhaps alongside another large Chinese energy company, PowerChina, and its dam-building subsidiary Sinohydro. Other reports indicate that an Egyptian company, thought to be Egypt Income Corporation, may get involved. None of these reports have been confirmed, however.

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