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Report No: ICR00004325

**IMPLEMENTATION COMPLETION AND RESULTS REPORT**

(H909-ZR)

ON A

GRANT

IN THE AMOUNT OF SDR 47.7 MILLION

(US\$64.5 MILLION EQUIVALENT)

TO THE

DEMOCRATIC REPUBLIC OF CONGO

FOR A

DRC INGA 3 AND MID-SIZE HYDROPOWER DEVELOPMENT TA ( P131027 )

February 5, 2018

Energy and Extractives Global Practice  
Africa Region

**CURRENCY EQUIVALENTS**  
(Exchange Rate Effective January 18, 2018)

Currency Unit = United States Dollar (US\$)

US\$1.410940 = SDR 1

**FISCAL YEAR**  
July 1 - June 30

**ABBREVIATIONS AND ACRONYMS**

ADEPI	Inga Development and Promotion Authority ( <i>Agence pour le Développement et la Promotion d'Inga</i> )
ADPI	Agency for the Development and Promotion of the Grand Inga, formerly ADEPI
AfDB	African Development Bank
BC	Basse Chute
CAPP	Central African Power Pool
CDM	Clean Development Mechanism
CAS	Country Assistance Strategy
CGI3	Inga 3 Technical Cell ( <i>Cellule Technique Inga 3</i> )
CODESI	Interministerial Commission for Inga Development ( <i>Commission pour le Développement du Site d'Inga</i> )
DFI	Development Finance Institution
DRC	Democratic Republic of Congo
E&S	Environmental and Social
ESIA	Environmental and Social Impact Assessment
FM	Financial Management
GWh	Gigawatt hour
GDP	Gross Domestic Product
GoDRC	Government of the Democratic Republic of Congo
HC	Haute Chute
IDA	International Development Association
IFC	International Finance Corporation
IFI	International Finance Institution
kWh	Kilowatt hour
M&E	Monitoring and Evaluation
MRHE	Ministry of Hydraulic Resources and Electricity ( <i>Ministère des ressources hydrauliques et de l'électricité</i> )
MW	Megawatt
O&M	Operation and Maintenance
PAD	Project Appraisal Document
PDO	Project Development Objective

PIU	Project Implementation Unit
PPA	Power Purchase Agreement
PPP	Public-Private Partnership
PRSP	Poverty Reduction Strategy Paper
RAP	Resettlement Action Plan
RSA	Republic of South Africa
SAPMP	Southern African Power Market Project
SAPP	Southern Africa Power Pool
SNEL	National Electricity Company ( <i>Société Nationale d'Electricité</i> )
TA	Technical Assistance
TWh	Terawatt hour

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**DATA SHEET**

**BASIC INFORMATION**

**Product Information**

Project ID	Project Name
P131027	DRC Inga 3 and Mid-Size Hydropower Development TA
Country	Financing Instrument
Congo, Democratic Republic of	Technical Assistance Loan
Original EA Category	Revised EA Category
Full Assessment (A)	

**Organizations**

Borrower	Implementing Agency
Ministry of Hydraulic Resources and Electricity	MRHE/ADEPI

**Project Development Objective (PDO)**

Original PDO

The proposed Project Development Objective (PDO) is to contribute to the sustainable development of Inga 3 Basse Chute (BC) and selected mid-size hydropower projects.



**FINANCING**

	Original Amount (US\$)	Revised Amount (US\$)	Actual Disbursed (US\$)
<b>World Bank Financing</b>			
IDA-H9090	73,100,000	9,400,642	3,111,666
<b>Total</b>	<b>73,100,000</b>	<b>9,400,642</b>	<b>3,111,666</b>
<b>Non-World Bank Financing</b>			
Borrower	0	0	0
African Development Bank	33,400,000	0	0
SOUTH AFRICA:			
Development Bank of Southern Africa (DBSA)	0	0	0
<b>Total</b>	<b>33,400,000</b>	<b>0</b>	<b>0</b>
<b>Total Project Cost</b>	<b>106,500,000</b>	<b>9,400,642</b>	<b>3,111,666</b>

**KEY DATES**

Approval	Effectiveness	MTR Review	Original Closing	Actual Closing
20-Mar-2014	08-Sep-2014		30-Jun-2019	12-Sep-2016

**RESTRUCTURING AND/OR ADDITIONAL FINANCING**

Date(s)	Amount Disbursed (US\$M)	Key Revisions

**KEY RATINGS**

Outcome	Bank Performance	M&E Quality
Highly Unsatisfactory	Moderately Unsatisfactory	Modest

**RATINGS OF PROJECT PERFORMANCE IN ISRs**

No.	Date ISR Archived	DO Rating	IP Rating	Actual Disbursements (US\$M)
01	26-Jul-2014	Satisfactory	Satisfactory	0



02	10-Apr-2015	Satisfactory	Moderately Satisfactory	2.81
03	08-Dec-2015	Unsatisfactory	Unsatisfactory	4.44
04	13-Jun-2016	Highly Unsatisfactory	Highly Unsatisfactory	4.44
05	16-Dec-2016	Highly Unsatisfactory	Highly Unsatisfactory	3.40

## SECTORS AND THEMES

### Sectors

Major Sector/Sector (%)

**Energy and Extractives 100**

Renewable Energy Hydro 93

Public Administration - Energy and Extractives 7

### Themes

Major Theme/ Theme (Level 2)/ Theme (Level 3) (%)

**Private Sector Development 10**

Public Private Partnerships 10

**Environment and Natural Resource Management 100**

Climate change 51

Mitigation 51

Water Resource Management 49

Water Institutions, Policies and Reform 49

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## I. PROJECT CONTEXT AND DEVELOPMENT OBJECTIVES

### A. CONTEXT AT APPRAISAL

#### Context

##### *Overall Context*

1. Sub-Saharan Africa is suffering from a sustained and chronic power crisis. At the time of appraisal in 2014, only 31 percent of the population had access to electricity, leaving nearly 600 million people without energy access. The combined power generation capacity of Sub-Saharan Africa, excluding South Africa, was only 28 GW. Moreover, a quarter of the installed capacity was not operational for various reasons, including aging power plants and lack of maintenance. Power outages caused losses in forgone sales and damaged equipment for firms with an economic cost ranging between 1 percent and 4 percent of gross domestic product (GDP). The average power tariff, at US\$0.12 per kWh, was about twice the tariff in other developing countries. Yet, it only partially covered Africa's average generation cost of US\$0.18 per kWh. The average cost of power to consumers was drastically weighted by the reliance on costly backup generators, representing up to half of the total installed capacity in some countries.

2. Yet, Sub-Saharan Africa is blessed with large hydropower resources, which can contribute to significantly increase cost-effective and clean energy supply. Hydropower generation cost (around US\$0.05– US\$0.07 per kWh) compares very favorably with other technologies, including thermal, wind, and solar. Large-scale hydropower development would displace thermal power plants that would otherwise be built, saving millions of tons of carbon dioxide emissions per year. Hydropower resources are concentrated in a small number of countries (Democratic Republic of Congo [DRC], Ethiopia, Cameroon, Angola, Madagascar, Gabon, Mozambique, and Nigeria), but have potential capacity well beyond what could either be consumed or financed domestically for the foreseeable future. Unleashing hydropower's transformative potential would require closer integration of Africa's power pools and transmission infrastructures needed to promote regional power trade. At the time of appraisal, these factors motivated IDA engagement in supporting the sustainable development of the DRC's untapped hydropower potential, notably at the Inga site.

3. The DRC's hydropower was considered as a regional game changer with potential to light up the African continent. The DRC has enormous hydropower potential estimated at 100 GW (equivalent to about 774 TWh per annum), the third largest country potential behind China and Russia. With 40 GW, Inga would be the largest hydropower site in the world and one of the continent's most cost-effective power sources (estimated generation cost was US\$0.03 per kWh at the time of appraisal). The countries of the Southern Africa Power Pool (SAPP) constituted a natural market for DRC hydropower as the DRC was already interconnected with the SAPP grid. South Africa was a creditworthy off-taker which could have increased the bankability of hydropower projects in the DRC.

4. Inga 3 Basse Chute (BC) was the next phase of the Inga site development with a 4,800 MW installed capacity (Inga 1 and Inga 2 were built in the 1970s and 1980s). The Inga 3 BC development consisted of diverting part of the Congo River water to the Bundi tributary and a dam across the Bundi valley. It did not require the construction of a dam on the Congo River itself. The project was selected



by the Caucus of the African Governors in the Bretton Woods Institutions as one of the hydropower projects in Africa demanding particular attention from the World Bank. In the inadequate investment and governance environment of the DRC, the Inga 3 and Mid-Size Hydropower Development Technical Assistance Project (the 'TA Project') intended to provide TA to contribute to the development of Inga 3 BC and mid-size hydropower projects in a manner that would have maximized their impact on ending extreme poverty and promoting shared prosperity.

### *Country Context*

5. The DRC is the largest country in Sub-Saharan Africa, with an estimated population, at the time of appraisal, of about 71 million, vast natural resources, and massive agricultural potential. The DRC's development trajectory would have a significant impact on the economic growth and political stability of the continent. The DRC borders nine countries in central and southern Africa and has a complex economic, migration, and political relations with each of them.

6. The civil war from 1997 to 2003 led to a rapid descent from the relative prosperity of 1960–1970. Poverty remained pervasive and poverty indicators were high even by regional standards. In 2012, the annual GDP per capita was about US\$250. About 63 percent of the population lived on less than a U.S. dollar a day. Infrastructure collapsed during the long conflict, and, in 2014, only six provincial capital cities could be reached by road from the national capital, Kinshasa. Furthermore, the conflict had affected the existing assets and created serious service failures that were exacerbated by a lack of maintenance and investment.

7. During the post-civil war period, the DRC saw a resumption of growth. The end of the war coincided with a recovery in mining prices in the international market. The DRC experienced an average annual GDP growth of 6.6 percent during 2002–2008, compared to an average annual GDP contraction by 5.2 percent over 1991–2001. In late 2008, this period of growth was interrupted because of the changing international environment resulting from the financial crisis, but growth had resumed, at the time of appraisal, at a solid pace of around 7–8 percent per year.

8. Inadequate governance contributed to persistent poverty and posed threats to sustainable economic growth. Some governance issues were addressed in the context of heavily indebted poor countries debt relief in July 2010, including appropriate macroeconomic policies supported by an International Monetary Fund program and the adoption and implementation of a new Public Procurement Code. An economic governance matrix and action plan was adopted to help increase state benefits from natural resource exploitation and improve legal certainty of the business environment. The governance matrix was updated and presented to the IDA Board of Directors together with the new Country Assistance Strategy (CAS) for the DRC in May 2013. It focused on (a) strengthening accountability and transparency in concession and contract management in the mining, forestry, and oil sectors; (b) ensuring that divestiture of assets of public enterprises is done in compliance with international best practices; and (c) ensuring transparent and efficient use of public resources.

### *Sectoral and Institutional Context*

9. At the time of appraisal in 2014, only 9 percent of households had access to electricity services. The households and businesses connected to the grid were experiencing power outages averaging more than three hours in duration for more than 180 days per year. As a result, firms were forced to



rely on expensive backup generators. The economic cost of these outages was conservatively estimated at 1.7 percent of GDP. One of the country's immediate infrastructure challenges was, therefore, to reform the power sector, restore the financial health and operational efficiency of the power utility, rehabilitate and invest in its power assets, and improve electricity access. A 2010 World Bank study on spatial development concluded that in the DRC, investment in power gave the highest returns on investments compared to other infrastructure.

10. In 2014, the installed capacity was 2,442 MW, of which hydroelectric power plants represented 99 percent. Yet, the operational capacity was only 1,281 MW, as about half of the total installed capacity was not operational. Electricity demand/supply projections indicated that the DRC would need an additional firm capacity of 4,000 MW by 2020. This required the development of DRC's abundant low-cost hydropower. The Government intended to promote the development of both large and small hydropower sites, including the next phase of development at the Inga site.

#### *Sector Institutional Framework and Performance*

11. At the time of appraisal, the Ministry of Hydraulic Resources and Electricity (*Ministère des ressources hydrauliques et de l'électricité*, MRHE) was entrusted with energy and water sector policy and reform. The National Electricity Company (*Société Nationale d'Electricité*, SNEL), the government-owned vertically integrated electricity utility, was transformed into a limited liability company in December 2010. The Ministry of Portfolio was acting as representative of the state, sole owner of SNEL, and drove the transformation and recovery of SNEL in coordination with the sector ministry (MRHE). An Electricity Bill was passed by the National Assembly in May 2013, and by the Senate in January 2014. It was enforced in 2014 (after Board approval of the TA Project), when the law had liberalized power generation, transmission, and distribution. Also, the Electricity Bill called for the establishment of an electricity sector regulator, an electrification agency, and an electrification fund.

12. SNEL was engaged in a process to improve corporate governance, as well as its operational and financial performance. Between 2005 and 2012, SNEL had managed to improve its revenue collected by 230 percent. This improvement was driven in part by a higher average electricity tariff. In 2012, the tariff for high voltage industrial customers (mining companies) was increased from US\$0.035 to US\$0.055 per kWh. The improvement was also driven by an increased collection rate. In 2012, the overall collection rate, including from mining, exports, and residential consumers was approximately 70 percent. Low bill collection from the public sector remained a major burden for SNEL, with an 8.1 percent collection rate from government entities and a 37 percent collection rate from state-owned enterprises. SNEL was overstaffed, with a low ratio of 75 customers per employee in 2012. Staff costs had doubled between 2006 and 2012 and absorbed, in 2014, about one-third of total SNEL revenues.

13. In 2011, the Government had adopted a comprehensive five-year program for SNEL's recovery. The program included five main components: (a) a five-year performance contract between the state and SNEL stipulating their respective roles and obligations, with audited performance targets, (b) a corporate governance plan, (c) institutional and financial restructuring of SNEL, (d) a three-year services contract with an international firm, and (e) institutional and financing arrangements for appropriate operation and maintenance (O&M) of SNEL's transmission and hydropower facilities. At the time of appraisal, the performance contract had been signed, the selection of the service contractor was in its final stages, and an O&M study had provided a basis for improved asset management.



### *Hydropower and the Inga Development*

14. Hydropower is considered the mainstay of the DRC's energy future. The DRC's hydropower is an abundant, cheap, and clean source of energy, of which only 2.5 percent had been exploited. The seasonality of hydropower generation is much lower than elsewhere because the Congo basin covered areas in both hemispheres. Nearly 40 percent of the DRC's hydropower potential is located at the Inga site on the Congo River with the remainder being spread out over the country's rivers. An estimated 62 additional sites with a capacity above 10 MW have a combined total capacity of approximately 30 GW. In addition, there is over 500 smaller hydropower sites on the DRC's many streams and rivers.

15. The series of rapids on the Congo River at Inga in the province of Bas Congo has an estimated hydropower potential of 40,000 MW and had thus long attracted the imagination of power developers. The Inga 1 hydropower plant was commissioned in 1972 and Inga 2 was added in 1982. Inga 1 and Inga 2 had a combined installed generation capacity of 1,800 MW. The available operational capacity of both plants dropped below 900 MW. Inga 1 and Inga 2 were under rehabilitation at the time of appraisal with IDA financing (Regional and Domestic Power Markets Development Project, P097201). A 'Grand Inga' scheme was first studied in the 1970s and required the construction of a large dam across the Congo. A new approach of a series of smaller hydropower developments was adopted in 2011. The staged development of the Inga site was more in step with local and regional energy demand growth, limited the needed upfront investment, and significantly reduced risks. Inga 3 BC was the next stage of the Inga site development, with a 4,800 MW installed capacity.

16. At the time of appraisal, the Government of the DRC (GoDRC) decided to develop the hydropower potential of the Inga site based on international good practices, using a Public-Private Partnership (PPP) approach. Mobilizing private participation and investment in hydropower development would reduce the need for public investment, which was facing debt capacity constraints. Private sector participation would also enhance project cost-effectiveness through efficiency and innovation of the private partner. Several measures were in place to mitigate the risk of diversion from international good practices. The Policy Letter sent by the Prime Minister to the President of the World Bank, formed a 'compact' between the GoDRC and IDA and outlines the conditions of IDA engagement in the TA Project. The signature of the Policy Letter by the Prime Minister was an appraisal condition and the discontinued adherence to the content of the letter was a suspension event in the Financing Agreement. The Financing Agreement also included legal covenants regarding the timely creation, by law, of the Inga Development and Promotion Authority (*Agence pour le Développement et la Promotion d'Inga, ADEPI*), an autonomous and ring-fenced authority with the mandate to manage and monitor Inga development and award concession contracts.

### *The Role of DRC in Regional Power Trade*

17. At the time of appraisal, there was momentum for the DRC to become a power exporter, which could have generated revenues for the GoDRC, accelerated hydropower development, and served households and business in the DRC. The DRC is a member of two power pools, the Central African Power Pool (CAPP) and the SAPP. The CAPP was dormant and only a few local interconnections existed between grids in its member countries. The SAPP connects the power systems of Botswana, Lesotho, Mozambique, Namibia, South Africa, Swaziland, Zambia, Zimbabwe, and the DRC. Demand growth in SAPP countries was largely driven by the mining and manufacturing sectors. However, population growth, rural electrification, and economic growth also resulted in a steady increase in residential



demand. The electrification rate increased from less than 20 percent in 1999 to nearly 31 percent in 2012. The total number of electricity customers of the combined national interconnected systems reached 66 million. The total peak demand reached 45,761 MW in 2010, with South Africa accounting for about 80 percent of the regional consumption.

18. SNEL entered into power sales with Zambia, Zimbabwe, and Botswana. However, trade was largely stalled due to supply shortages in the DRC and poor transmission capacity. The rehabilitation of the 500 MW Inga-Zambia transmission lines, under the Southern African Power Market Project (SAPMP) with IDA and European Investment Bank financial support, aimed to re-ignite power trade. The development of Inga 3 BC and its associated transmission lines was the next step to increase power exports.

19. Opportunity costs of power generation have significantly increased in SAPP countries over the last years. This was especially true for South Africa, which was facing strong demand growth which can have only been met locally through expensive and polluting thermal generation. The maturity of the SAPP, South Africa's low country risk, the solidity of South Africa's power sector and, at the time of appraisal, the creditworthiness of Eskom made South Africa an attractive off-taker. Other countries with significant demand, such as Nigeria, had lower opportunity costs due to abundance of natural gas and hydropower, and were facing higher country and sector risk than South Africa.

#### *Rationale for World Bank Group Involvement*

20. Developing hydropower in the DRC was investing in the future of the African continent. The rationale for the World Bank Group's involvement in the early development of Inga 3 BC and mid-size hydropower sites in the DRC was twofold. First, the transformative potential of the DRC's hydropower provided a cost-effective means to increase energy services to households and businesses, which in turn was a key ingredient for ending extreme poverty and promoting shared prosperity at a regional scale. Second, the World Bank had a comparative advantage to support the GoDRC in hydropower development through its convening power and multidisciplinary expertise.

21. The series of Inga hydropower development had a potential for transformative impact on many of the region's economies and populations, particularly those relying on thermal or small generation systems. In the DRC, Inga 3 BC and other hydropower sites could have a significant contribution to least-cost rapid increase of electricity access. The Inga 3 BC project was constituting a litmus test for the development and implementation of a robust financing structure, which could also have been applied to subsequent phases of Inga hydropower development. It would also have established a solid institutional and legal framework for protecting both public and private interests, which was essential to optimize Inga's development impact.

22. Given its complexity, required financing, and policy issues the involvement of the World Bank Group in Inga 3 BC preparation was considered critical in supporting the DRC to maximize the development impact of the project for the benefit of the country and its population. The GoDRC was seeking support from the World Bank for its knowledge, expertise, and experience in the design, development, and financing of large hydropower development and associated institutional and regulatory frameworks, including private participation and investment. Other development finance



institutions (DFIs) committed to support Inga 3 BC development also expressed the need for the World Bank's involvement in the process.

23. The TA Project combined support for the development of Inga 3 BC and the development of mid-size hydropower sites. This combination aimed to help ensure parallel increases in electricity services in urban and rural areas across the DRC and help ensure that economic growth is inclusive. Also, the development of several hydropower projects in parallel spread the risk of potential delays in one or more projects.

*Higher Level Objectives to which the Project Contributes*

24. The TA Project aimed to pave the way for the development of Inga 3 BC and selected mid-size hydropower projects. It thus intended to contribute to the World Bank Group's goal to end extreme poverty within a generation and boost shared prosperity. The project was a first step to provide new electricity access for 7 million people in the Grand Kinshasa and 2 million people in the hinterland. The TA Project was expecting to generate revenues for the GoDRC, which in turn could have been invested in improving human development. Inga 3 BC would also have created jobs—directly at the construction site and more importantly indirectly through the electricity supplied to businesses.

25. The TA Project was embedded in and complementary to the ongoing IDA program in the DRC. The governance matrix, agreed between the GoDRC and the World Bank, in 2013, provided the canvas for the project. The matrix put forward tangible actions to restore investors' confidence and improve transparency in natural resources management. The TA Project was complementary to the World Bank's support to public financial management in DRC, through a series of Public Expenditure and Financial Assessments to improve the management of public finance. A US\$22.1 million project with the U.K. Department for International Development's co-financing to strengthen Public Financial Management Accountability was approved in January 2014, to enhance the credibility, transparency, and accountability in the management and use of central government and selected subnational governments' finances. These supports would have helped ensure the efficient use of any future revenues of the Inga 3 BC development.

26. The project was also complementary to the existing IDA energy program. It would have helped secure the production of cheaper electricity. Reinforcement of the transmission and distribution system and support to managerial strengthening of sector institutions under existing projects would have improved the energy supply to clients and increased access to electricity. The Regional and Domestic Power Market Development Project and SAPMP project provided a combined US\$1.1 billion grant financing for the rehabilitation and expansion of SNEL's generation, transmission, and distribution infrastructure. In addition, IDA was identifying support for the development of the Ruzizi 3 project within the context of the Great Lakes Initiative, as well as support to rural electrification through a new agriculture and rural development project in Eastern Congo.

27. The TA Project was also conceived as an early engagement in Inga 3 BC to prepare, through World Bank Group instruments (including IDA Investment Project Financing and Partial Risk Guarantee, International Finance Corporation (IFC) debt, and MIGA credit enhancement mechanisms), subsequent



operations to contribute to the actual development of Inga 3 BC.<sup>1</sup> The level of investment for Inga 3 BC was so high that neither the public sector nor the private sector alone could bear the full cost of development of the project. Public financing, provided through partner international finance institutions (IFIs), would (a) reduce the overall project's cost and risks perceived by potential private investors, (b) ensure strong public oversight of the environmental and social (E&S) impacts during construction, and (c) protect the long-term interests of the DRC in the subsequent developments of the Inga site, by maintaining public ownership of the Inga 3 BC dam.<sup>2</sup>

### Theory of Change (Results Chain)

28. The transformative potential of the DRC's large- and low-cost hydropower resources, primarily the series of Inga hydropower development, could provide a cost-effective means to bring energy services to households and businesses in the DRC and the subregion, a key ingredient for reducing extreme poverty and promoting shared prosperity. The results chain and key underlying assumptions of the TA Project are described in the following paragraphs.

29. The inherent assumption that justifies the TA Project is that, given Inga's technical complexity, required financing, and associated policy and regulatory issues in the DRC's inadequate governance environment, early stage preparation is critical to maximize the development impact of Inga's hydropower potential to the benefit of the country and its population. Experience with large hydropower shows the necessity to allocate sufficient resources and time for preparation of feasibility studies and associated safeguard instruments. Experience teaches that taking short cuts to reach short-term deadlines leads to subsequent delays in the medium term. In addition, the phased approach for the development of Inga hydropower's full potential<sup>3</sup> requires upfront structuring of the Inga 3 BC project in a way that protects the long-term interests of the DRC in the subsequent developments of the Inga site.<sup>4</sup>

30. Another critical assumption is that establishing an autonomous and ring-fenced enclave entity to manage and monitor Inga development will create some functionality within a challenging governance environment and wider political economy dynamics in the DRC, thereby helping mobilize private and public financing required for Inga development. Experiences demonstrate that successful

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<sup>1</sup> On August 1, 2013, that is, before approval of the TA Project, the World Bank Group sent a letter to the Prime Minister indicating interest in principle to finance the actual Inga 3 BC project and identify other sources of concessional financing. On September 28, 2015, during TA Project implementation, the World Bank Group reiterated, by letter to the Ministry of Finance, its interest in principle to finance Inga 3 BC for an indicative US\$1 billion and help syndicate other sources of concessional financing.

<sup>2</sup> At the time of appraisal, the Government intends to allocate public financing to the 'common' facilities under the PPP for the development of Inga 3 BC. The Engineering Procurement and Construction (EPC) contractors for the 'common' facilities would be selected through an international competitive bidding process to comply with DFI procurement rules.

<sup>3</sup> According to the feasibility study for Inga hydropower development (AECOM/EDF, September 2013), the first phase was identified as Inga 3 BC, consisting of a dam creating a reservoir in the Bundi valley. The next phase following the Inga 3 BC development would be the Inga 3 Haute Chute (HC) development, involving the construction of a dam across the Congo River and the heightening of the Bundi dam. The Inga 3 HC development would benefit from the raising of the head and would not involve the installation of new units, as the initial units would be designed to operate under two different head ranges. Each subsequent project (Inga 4–8) would then represent an increment of 6,000 MW to 7,000 MW.

<sup>4</sup> One of the unique complexities of Inga development relates to the transition to Inga 3 HC, which would require the heightening of the Bundi dam. The PPP structure should, therefore, prescribe detailed contractual and commercial arrangements between HC and BC concessionaire for HC design, construction, and operation to mitigate the risk of the GoDRC's right to develop HC being jeopardized by BC concessionaire through indefinite negotiation.



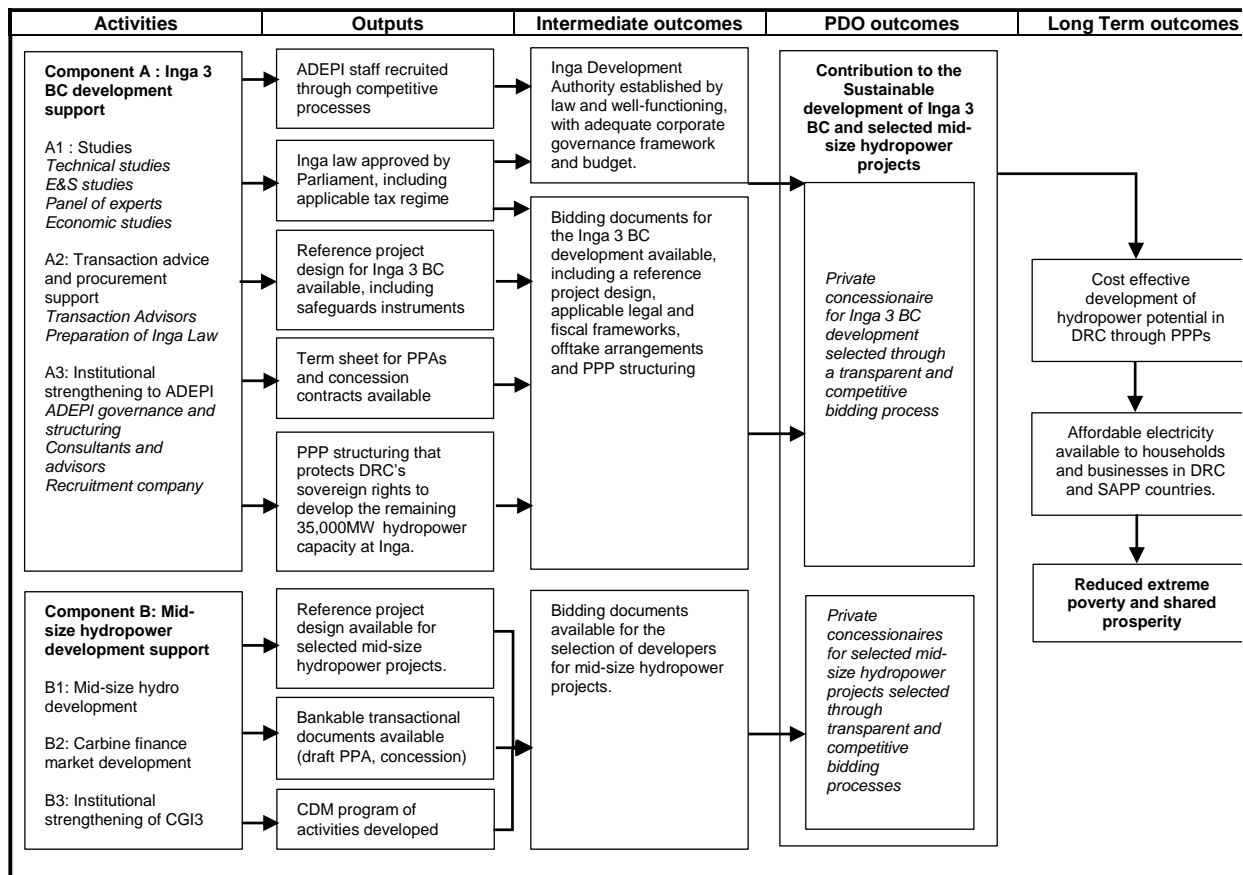


water and power management organizations are strongly protected by laws and regulations stating their responsibilities, rights, accountabilities, and domains of influence. This has provided insights for the design of the proposed ADEPI.

31. Lastly, a core underlying assumption is that a fully structured process to select the private concessionaire in a timely, transparent, and cost-effective manner, by fostering competition, is more likely to lead to least-cost supply options, compared to negotiated deals or unstructured requests for proposals. With a comprehensive set of technical and commercial criteria defined upfront, a structured process will reduce variations among the bids, simplify the evaluation, and shorten the negotiation with a prequalified sponsor.<sup>5</sup> Bid evaluation would be based on quantitative criteria such as the electricity tariff, thereby increasing transparency. While negotiated deals are not uncommon for this size of project, the three consortia short-listed in 2011 appeared, at the time of appraisal, ready to compete based on the competitive selection process described in the Policy Letter dated November 12, 2013.

32. Figure 1 summarizes the TA Project’s results chain.

Figure 1. Results Chain



<sup>5</sup> The structured bidding document to select the concessionaire should notably include (a) functional and performance specifications (reference project design), (b) draft concession and Power Purchase Agreement (PPA) contracts, (c) applicable legal and fiscal frameworks, and (d) PPP structure to protect sovereign interest in subsequent Inga developments (see above).



### Project Development Objectives (PDOs)

33. The Project Development Objective (PDO) was to contribute to the sustainable development of Inga 3 BC and selected mid-size hydropower projects (Financing Agreement, April 3, 2014, page 6).

### Key Expected Outcomes and Outcome Indicators

34. Within the overall PDO, the project sought to support the borrower to
- (a) Establish the Inga Development Authority (*Agence pour le Développement et la Promotion d'Inga*, ADEPI), including the development of technical and fiduciary capacities and the provision of a budget for operating costs;
  - (b) Prepare bidding documents for the development of the Inga 3 BC, compliant with World Bank E&S safeguards and other sustainability considerations; and
  - (c) Prepare bidding documents for the selection of developers for mid-size hydropower projects, consisting of a request for proposal, a reference project, fiscal regime, and E&S specifications.

35. The intermediate results and indicators were the following:

Component A. Inga 3 BC development through PPP is promoted

- (a) Signature of the Exclusive Collaboration Agreement
- (b) Availability of finalized E&S studies for Inga 3 BC
- (c) Power Purchase Agreements (PPAs) negotiated and publicly disclosed

Component B. Medium size projects are promoted through PPP

- (a) Availability of E&S studies for mid-size hydropower projects
- (b) CDM program of activities developed

### Components

36. The TA Project envisioned two executing agencies: the Ministry of Energy and ADEPI. ADEPI was supposed to be established by law by the end of 2014. Until then, interim arrangements included the establishment of an Interministerial Commission for Inga Development (CODESI) chaired by the Prime Minister, while the day-to-day TA Project implementation would be carried out by a Project Implementation Unit (PIU) hosted at the Ministry of Energy (Inga 3 Technical Cell, [*Cellule Technique Inga 3*, CGI3]). Once established, ADEPI would take over as an implementing agency for Component A, while Component B would continue to be implemented by the Ministry of Energy.



37. The TA Project consisted of two components: (a) Inga 3 BC development support and (b) mid-size hydropower development support.

**Component A: Inga 3 BC development support (total cost US\$80.6 million; of which IDA US\$47.5 million and AfDB US\$33.4 million)**

38. This component sought to build on the feasibility study for the development of the Inga site and associated interconnections financed during 2010–2013 by the African Development Bank (AfDB). It would finance complementary studies, transaction advice and procurement support, and institutional support and sector strengthening.

***Subcomponent A1: Studies (total cost US\$20.0 million; of which IDA US\$12.5 million)***

39. This subcomponent included the preparation of complementary studies identified in the feasibility study: technical studies to complete the reference project design, social and environmental studies and panels, and economic studies, including power supply-demand analysis.

40. Technical studies included geological and geotechnical investigations on-site to confirm the foundation conditions for the Bundi dam, a study of the sedimentation in the canal, a study of the Congo River water intake to confirm the design and maximum capacities of the Inga 3 BC canal and water intake, and a study of the impact of Inga 3 BC development on the operation of Inga 1 and Inga 2, especially during low river flows. Based on the various complementary studies, the feasibility study would be refined and transformed into a reference design to form the basis for the selection of the concessionaire. The cost of the detailed design studies for the power plant and transmission lines in the DRC was expected to be borne by the concessionaire.

41. The subcomponent included E&S studies to update and complement the preliminary Environmental and Social Impact Assessment (ESIA) which was prepared as part of the feasibility study. These additional studies included an ESIA of the Inga BC hydropower complex with a particular focus on collection and analysis of baseline data (particularly on biodiversity), a cultural resources management framework, as well as the ESIA and the associated Resettlement Action Plan (RAP) for transmission lines in the DRC. The TA would also finance the definition of a community development plan that will address long unresolved E&S issues, dating back several decades at the time of development of Inga 1 and Inga 2, and the preparation of a RAP for the Camp Kinshasa settlement. The subcomponent also included the financing for the two panels of experts. The E&S panel consisted of two members (an environmental and a social expert). The Dam Safety panel had five members (a dam specialist, a geologist, a hydrologist, an expert in sedimentology, and an expert in electromechanics). These two panels served during the life of the proposed TA Project, but were expected to be extended for the construction phase of the Inga 3 BC development. Finally, the subcomponent included the preparation of a Strategic Environmental Assessment to explore the strategic E&S links with the proposed investments, including how climate change may affect Inga 3 BC development viability.

42. A number of economic studies were planned to ensure that the additional generation capacity of Inga 3 BC development translates into better services for households and small and medium enterprises. For instance, a study of the productive demand in the Bas Congo would analyze the possibility of developing electricity consumptive activities near Inga. Other studies might have included a master plan on generation, transmission, and distribution that will allow SNEL to prepare its



development plan to accommodate the additional production coming from Inga 3 BC and tariff studies for Inga 3 BC development, in particular a study of electricity market prices for generation in the Republic of South Africa (RSA) and alternative power generation options.

***Subcomponent A2: Transaction advice and procurement support (total cost US\$39.5 million; of which IDA US\$19.0 million)***

43. The second subcomponent included technical, legal, and financial assistance for the structuring of the Inga 3 BC development. This included support in the development of legislation, finalization of the structuring option, and transaction support for the selection of the concessionaire for the powerhouse and the transmission lines, advice on power sales, and support for the bidding process of the common infrastructure.

44. This subcomponent brought support and expertise to the GoDRC on the preparation of the law that would set the framework for the development of Inga 3 BC and subsequent phases. It included support in designing the ADEPI mandate and the fiscal regime—including water tariffs—applicable to the project stakeholders that would maximize the economic rent generated by the project and captured by the state.

45. This subcomponent provided the GoDRC with experienced strategic, financial, transaction, and procurement expertise for the financial/institutional structuring of the Inga 3 BC development. This subcomponent included support to market test solutions and was flexible to allow for adjustments along the way responding to signals from the market.

46. The subcomponent included expertise to finalize the selection and contract award of the concessionaire for the powerhouse and transmission lines. The subcomponent financed advisory services to ADEPI on design of fair risk-sharing conditions in the concession agreement. In addition, the advisory services would support the GoDRC's negotiations to obtain the most appropriate conditions for the GoDRC and negotiate public shareholding conditions, if any.

47. This subcomponent also included the analytical work necessary to finalize the agreements associated with the Inga treaty signed between the DRC and RSA on a number of aspects, such as tariff setting, interconnection arrangements, and the interface with SAPP. Advice on the sales arrangements of the power produced by the Inga 3 BC development was included, focused on the mobilization of anchor customers and the structuring of PPAs.

48. In addition, the subcomponent included detailed design, bidding documents, assistance for procurement, and financing arrangements, for the common infrastructure (intake, canal, and dam).

***Subcomponent A3: Institutional support and sector strengthening (total cost US\$21.4 million; of which IDA US\$16.0 million)***

49. This subcomponent sought to finance the establishment and operationalization of ADEPI. This included preparatory activities to structure ADEPI, such as studies on organization and staffing and assistance for staff recruitment. This subcomponent also supported the cost of recruitment processes, contractual staff, office equipment, operational costs, the organization of workshops of ADEPI, and the



development and the implementation of a consultation and communication strategy for the Inga 3 BC development.

50. The subcomponent included in-house consultants and individual advisers to enable ADEPI to efficiently fulfill its mandate to complement external advice provided by consultancy companies.

51. This subcomponent also included the design and establishment of the public management structure to supervise the construction of the common infrastructure.

**Component B: Mid-size hydropower development support (total cost US\$25.6 million of which IDA US\$25.6 million)**

52. The component aimed to develop mid-size hydropower projects (with capacity between 10–100 MW) by selecting potential projects, performing prefeasibility studies, accompanying bidding processes, and evaluating the possibilities for carbon finance. The component planned to result in feasibility studies and bidding documents and support the GoDRC in selecting private developers and awarding concessions for three mid-size hydropower projects.

***Subcomponent B1: Mid-size hydro development (total cost US\$19.1 million; of which IDA US\$19.1 million)***

53. This subcomponent aimed to increase the GoDRC's limited technical and economic information on mid-size hydropower sites. Producing appropriate technical and economic information on selected sites would improve the prospects of mobilizing public and private financing for the development of these sites.

54. Activities started with the preparation of a short list of 30 projects that will be studied up to the prefeasibility level. The 30 projects were selected from a long list of 62 projects already identified by the MRHE. In a second step, 3 projects should be selected for feasibility studies using a multicriteria evaluation. The subcomponent included site investigations, feasibility, E&S studies and preparation of technical specifications, and bidding documents for 3 hydropower sites. The third step was transaction advice to the MRHE for the selection of and contract negotiations with private developers for the 3 sites resulting in the signature of concession agreements.

55. The subcomponent included analysis of the institutional, regulatory, and legal framework for the development of mid-size hydro projects and the preparation of the additional legal texts and regulations to accompany the electricity law to regulate participation of the private sector in the development of a mid-size hydropower project.

***Subcomponent B2: Carbon finance market development (total cost US\$1.0 million; of which IDA US\$1.0 million)***

56. This subcomponent included (a) assessing the eligibility for carbon finance for Inga 3 BC development and mid-size hydropower projects and (b) developing a Clean Development Mechanism (CDM) program of activities. The subcomponent included advisers to the GoDRC on how carbon finance



operations work in general and an assessment of prospects, options, and requisites for carbon finance, and the implications on hydropower project design.

**Subcomponent B3: Institutional strengthening to CGI3 (total cost US\$5.5 million; of which IDA US\$5.5 million)**

57. This subcomponent supported the operation of the CGI3. It includes consultants' costs, office equipment, operational fee, counselors, organization of workshops, and communication.

58. The project components and subcomponents and their costs are provided in table 1.

**Table 1. Project Costs**

Component/Subcomponent	Total Estimated Cost (US\$, million)	IDA		AfDB (parallel financing)
		Plan	Actual Disbursement (until cancellation)	
<b>A. Inga 3 BC development support</b>	<b>80.9</b>	<b>47.5</b>	<b>n.a</b>	<b>33.4</b>
A1 Studies	20.0	12.5		7.5
A2 Transaction advice and procurement support	39.5	19.0		20.5
A3 Institutional support and sector strengthening	21.4	16.0		5.4
<b>B. Mid-size hydropower development support</b>	<b>25.6</b>	<b>25.6</b>	<b>n.a</b>	<b>--</b>
B1 Mid-size hydro development	19.1	19.1		--
B2 Carbon finance market development	1.0	1.0		--
B3 Institutional strengthening to CGI3	5.5	5.5		--
<b>TOTAL</b>	<b>106.5</b>	<b>73.1</b>	<b>3.11</b>	<b>33.4</b>

**B. SIGNIFICANT CHANGES DURING IMPLEMENTATION**

59. Significant changes occurred about a year after TA Project effectiveness (September 8, 2014), at the initiative of the client, without prior consultation with the World Bank Group. The changes have affected in particular: (a) the implementation arrangements in place for the TA Project and (b) the selection process for the Inga 3 BC concessionaire agreed at appraisal between the GoDRC and IDA.<sup>6</sup> These changes were not reflected in the TA Project through restructuring. It immediately put de facto on hold the TA Project and subsequently led to the suspension (on July 23, 2016) and the cancellation of the TA Project (on September 12, 2016). The changes are summarized in the following paragraphs.

<sup>6</sup> This was described in the Policy Letter sent by the Prime Minister to the President of the World Bank on November 12, 2013, which outlined the conditions of IDA engagement in the TA Project.



### Revised PDOs and Outcome Targets

60. There was no change in the PDO and in the outcome targets.

### Revised PDO Indicators

61. There was no change in the PDO indicators.

### Revised Components

62. There was no revision in the project components.

### Other Changes

63. Significant changes occurred about a year after TA Project effectiveness (September 8, 2014), at a time where approximately 4 percent of the total project financing had been disbursed. It immediately put on hold the TA Project and ultimately led to the cancellation of the TA Project two years after TA Project effectiveness. The changes are summarized in the following paragraphs.

64. **Implementation arrangements.** Two presidential orders were issued on October 13, 2015 to create and appoint staff to ADPI-RDC, a specialized unit within the President's Office in charge of the Grand Inga project,<sup>7</sup> without prior consultation or communication with IDA. The creation of the new unit was inconsistent with the Policy Letter underpinning the project, envisaging the establishment of an independent agency by law, with fiduciary responsibility.<sup>8</sup> Moreover, it immediately blocked further use of IDA funds due to lack of an operational implementing entity.<sup>9</sup>

65. **Concessionaire selection process.** During the same period, the authorities announced that a bidder would be selected by September 2016, for groundbreaking by end of December 2016. While critical studies planned under the TA Project were lagging behind schedule,<sup>10</sup> bidding documents were issued to pre-qualified bidders in February 26, 2016, with a deadline for bid submission set for July 31, 2016. As a result, bidding documents lacked critical information necessary for the bids to be evaluated properly, likely to result in an evaluation based mainly on qualitative criteria, which means that most of the project would only be defined after the selection of the concessionaire. Key missing information included (a) clarity on the off-take arrangements, that is, terms governing the sale of power to South Africa, the mining companies, and SNEL; (b) geotechnical and hydrological data, (c) obligations relating to future Inga phases to protect the DRC's sovereign interests in subsequent Inga site developments;

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<sup>7</sup> Ordonnance No.15/079 du 13 octobre 2015 portant création, organisation et fonctionnement d'un service spécialisé au sein de la présidence de la République dénommé « Agence pour le Développement et la Promotion du Projet Grand Inga », en sigle « ADPI-RDC » and Ordonnance No.15/80 du 13 octobre 2015 portant nomination d'un chargé de mission au cabinet du Président de la République.

<sup>8</sup> ADPI-RDC has no separate legal identity and the head of the ADPI-RDC performs his duties under the authority of the director of the President's Office.

<sup>9</sup> The PIU CGI3 and Project Steering Committee CODESI were abolished by the Order No.15/079.

<sup>10</sup> A year after effectiveness, none of the key technical studies needed to inform the bidding documents for the Inga 3 BC development (for example, feasibility studies, E&S safeguards instruments, and geological and geotechnical investigations) had started.



and (d) applicable legal framework and tax regime. Bids were received from two prequalified consortia.<sup>11</sup>

66. **Suspension and cancellation.** Withdrawal applications and procurement approvals were de facto put on hold<sup>12</sup> because of the abrogation of implementation arrangements governing the TA Project. The client was informed by letter dated December 17, 2015.<sup>13</sup> It indicated that resuming activities would require prior restructuring of the TA Project and listed information<sup>14</sup> needed for IDA to consider such restructuring. This aimed to immediately protect IDA resources,<sup>15</sup> while continuing the dialogue on Inga strategic matters, notably the selection process to award the concession. Between January and June 2016, the GoDRC and the World Bank Group had extensive correspondence and meetings at senior management levels<sup>16</sup> to seek clarifications on key topics,<sup>17</sup> which ultimately proved unsatisfactory and confirmed the GoDRC's deviation from agreed-upon strategy for the Inga 3 BC development. The TA Project was suspended on July 23, 2016, based on substantial breaches to the provisions of the Financing Agreement signed on April 3, 2014.<sup>18</sup> It was then cancelled on September 12, 2016, based on the failure to provide any evidence of taking actions required for lifting the suspension.<sup>19</sup> The total IDA disbursements under the project amounted US\$3.11 million, that is, 4 percent of the total IDA grant. In the meantime, the AfDB carried on with the implementation of its support for the Inga 3 BC project's preparation, through parallel financing. The AfDB is currently financing the Government's Transaction advisers<sup>20</sup> and plans to carry out an assessment of ADPI-RDC in 2018.

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<sup>11</sup> Pro-Inga consortium (includes ACS-Cobra [Spain], Electrobras [Brazil], Andritz [Germany], China National Electric Equipment [China], Harza [United States], Macquarie [Australia], and Andrade Guiterez [Brazil]); and Three Gorges consortium (includes Sinohydro, China State Grid, China Yantze Power Company, and China Three Gorges International Company)

<sup>12</sup> In the absence of an implementing entity meeting IDA fiduciary and procurement requirements (CGI3 had no more legal basis with the presidential orders).

<sup>13</sup> After a first round of discussion with the client at the technical level and meetings called by the newly established ADPI-RDC on November 16–20, 2015. The client was notified earlier by email dated October 22, 2015, that the withdrawal applications and procurement approvals were on hold pending clarification on the consequence of two presidential orders on the TA Project implementation arrangements.

<sup>14</sup> (a) Confirmation of the commitment to a competitive selection process based on quantitative criteria, (b) status and time line for the Inga law, (c) confirmation of the PPP structuring and allocation of public financing for the Inga 3 BC development, (d) contemplated implementation arrangements for the two components of the TA, (e) support expected from IDA and other development partners, and (f) progress on discussion with RSA on the off-take.

<sup>15</sup> As a result, all expenditures incurred afterward were deemed ineligible, except for the external audit at project's closing (done in 2017).

<sup>16</sup> Meeting between head of ADPI-RDC and AFRVP (March 8, 2016); meeting led by managing director and GGSVP during Spring Meetings (April 12–13, 2016); follow-up meeting with ADPI-RDC chaired by GGSVP (June 10, 2016).

<sup>17</sup> Topics included (a) the implication of the presidential orders on the institutional and governance framework for the Inga 3 BC project, including with regard to the Inga Law, (b) the GoDRC's new strategic direction for Inga 3 BC, including PPP structuring and the selection process for Inga 3 BC concessionaire, and (c) support expected from a hypothetical restructured TA Project.

<sup>18</sup> The recipient failed to comply with several provisions of the Financing Agreement with regard to (a) the establishment of an autonomous Inga agency by December 2014, (b) maintaining in operation CODESI and CGI3, and (c) failure to act in accordance with the Policy Letter with regard to the PPP structuring and selection process. See *Grant No. H909-ZR: Suspension of Disbursements*, dated July 22, 2016.

<sup>19</sup> Namely "(i) written confirmation from the Recipient, satisfactory to IDA, that the recipient will implement the key principles of the Policy Letter; and (ii) arrangements are in place, satisfactory to IDA, to meet the requirements referred to in clauses 1,2, 5, 6, 9, and 11 of Section I.A of Schedule 2 of the Financing Agreement."

<sup>20</sup> A consortium consisting of Orrick, Lazard, and Tractebel, initially hired by the GoDRC on a success fee in 2010, with AfDB funding from 2013 onwards.





67. **Inga 3 BC preparation after IDA TA Project cancellation.** Since the cancellation, no awardee for the Inga 3 BC concession has been announced. In June 2017, the authorities asked the two bidders to merge into a single consortium and submit a revised offer for the development of Inga 3, that is, the simultaneous development of the Inga 3 BC and HC phases to double the planned installed capacity that would include, in addition to the construction of the Bundi dam at full height, a dam across the Congo River. This confirmed the change in the strategic direction for the selection process, from a Government-led structured competitive process, agreed between the Government and the World Bank during appraisal, toward a negotiated deal for a project to be developed by the sponsor once selected. In July 2017, the DRC announced that the date for the completion of the Inga 3 BC project, initially planned in 2020–2021, would be postponed to 2024–2025.

68. **Impact of changes in strategic direction for Inga 3 BC on mid-size hydropower projects (Component B).** Implementation arrangements governing both components were dissolved by presidential orders. Therefore, the preparation of activities relating to mid-size hydropower projects have been directly affected by the changes that occurred in the Inga 3 BC project. On December 23, 2015, the GoDRC requested the World Bank to restructure the TA Project, so that activities under Component B would be managed by a newly established structure<sup>21</sup> at the Ministry of Energy (while Component A would be managed by ADPI-RDC). However, the decision to restructure—or not—would have necessarily applied to the entire scope of the TA Project and could not be split by components.<sup>22</sup> As a result, the continuation of the activities under Component B was de jure tight to the decision on Inga 3 BC TA activities, of primary concern for the World Bank Group.<sup>23</sup>

#### **Rationale for Changes and Their Implication on the Original Theory of Change**

69. The shift of leadership on Inga developments to the presidency intervened at the time the draft legislation to establish an autonomous agency (ADEPI) was prepared with the TA Project’s support and was ready to be presented to parliament. The creation of an independent agency by law with fiduciary responsibility was a cornerstone in the dialogue and support for the TA Project, given the DRC’s governance challenges. The proposed technocratic approach was aimed to ring-fence the development of Inga 3 from political interference and mitigate governance and fiduciary risks, support the principle of competition and transparency, and help mobilize private and public financing required for Inga development, in line with the strategic direction for the development of Inga 3 BC presented in the Policy Letter. Changes in the project governance and implementation arrangements forced the World Bank Group to put project implementation on hold in the absence of implementation entities meeting fiduciary standards to manage IDA resources.

70. With the revised tender process, most of the Inga 3 project features were to be defined only after the selection of the concessionaire, moving the bidding process closer to a negotiated deal. The bidding document did not contain the project basics for the bids to hold, preventing a selection based on firm quantitative criteria, as initially envisioned. In the challenging governance environment of the DRC, the risk of rent capture by investors was significantly increased. The GoDRC’s position in the

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<sup>21</sup> By decree dated October 30, 2015, the Ministry of Energy had created the *Unité de gestion du projet de développement des Centrales de Taille Moyenne* (UCM). This unit has later served as a shell for the PIU of the EASE project (P156208).

<sup>22</sup> Except if the client would agree to request the cancellation of the Inga component, which was not the case and appeared highly unlikely.

<sup>23</sup> This was conveyed to the Prime Minister and the Minister of Energy, during the management-level mission on November 16–20, 2015.



negotiation with the selected bidder would be considerably weakened by the absence of firm commitment made by the candidate on price, project design, off-take arrangements, PPP structuring, and financing, likely to result in protracted negotiation. It would also drastically increase the risk of the transaction not reaching financial closure. The TA Project aimed to support the Government to maximize benefits of the ongoing competitive process, by financing studies and analytics needed to inform the bidding documents, so that selection would be made on transparent and quantitative criteria. However, in a scenario whereby the project preparation would ultimately be undertaken and paid for by the concessionaire, many of the planned activities in the TA Project became de facto irrelevant. The TA Project was cancelled on September 2016.

## II. OUTCOME

71. The TA Project was put de facto on hold a year after effectiveness and formally cancelled one year afterward. Total disbursement had reached US\$3.11 million (that is, around 4 percent of the total IDA grant), mostly for the establishment and operating costs of the interim PIU,<sup>24</sup> consultancy services for ADEPI establishment, and the setup of two panels of experts.<sup>25</sup> Besides the conditions of effectiveness that were met, no significant activities were implemented at the time of cancellation. However, according to the World Bank's guidelines, an Implementation Completion and Results Report (ICR) rather than an Note on Cancelled Operation has been prepared.<sup>26</sup> Therefore, most of the outcome items listed below are rated either negligible or unsatisfactory.

### A. RELEVANCE OF PDOs

#### Assessment of Relevance of PDOs and Rating

**Rating: High**

72. The PDO was and remains highly relevant to the development needs of the DRC. The Systematic Country Diagnostic, dated May 2017 (Report No. 112733-ZR), identified hydropower potential as the mainstay of the energy sector, with the potential to yield vast and transformative returns in economic development for the country and for the continent.

73. Hydropower development is central in the GoDRC's development strategy for sustaining growth rates and improving electricity access in the DRC. The series of Inga hydropower developments is one of the strategic infrastructure projects of the GoDRC. The 2011 DRC Second Poverty Reduction Strategy Paper (PRSP) indicated the need to develop PPPs in the infrastructure sectors as an important priority. The PRSP included the development of the Inga 3 BC as one investment needed to improve access to electricity in the DRC. Lack of electricity access at the household level exacerbates poverty conditions in the country and is a major cause of exclusion and inequality within the country. Limited or unreliable electricity supply constrains the delivery of basic social services, including health,

<sup>24</sup> The CGI3, whose operationalization was a condition of effectiveness for the TA Project, was managing the implementation of the TA Project until ADEPI establishment (Financing Agreement, Clause 5 of section I. of Schedule 2).

<sup>25</sup> The recruitment of a consulting firm to conduct a structuring study for the establishment of ADEPI and the establishment of the E&S panel and the panel on dam safety were also conditions of effectiveness for the TA Project.

<sup>26</sup> According to the guidelines, significant implementation—requiring an ICR—is defined as total actual disbursements of (a) 5 percent or more of the original amount or (b) US\$1 million; whichever of (a) and (b) is the greater.



education, and security and severely affects living standards. It also prevents informal businesses, which are a primary source of livelihood among the poor, to grow out of informality and expand.

74. The TA Project was included in the 2013–2016 World Bank Group CAS for the DRC, specifically as part of Strategic Objective Two, which addresses boosting competitiveness to accelerate private sector-led growth and job creation. Inadequate power supply frustrates productivity and competitiveness of the DRC firms and is a major binding constraint to economic growth led by the mining and oil sectors. Power shortages mean big losses in foregone production and cost of self-generation, which are conservatively estimated at 1.7 percent of GDP.

75. The TA Project was also aligned with the growth pillar of the World Bank’s Africa Strategy by contributing to reliable supply of electricity for growth and private investment. It follows the guiding principles of World Bank Group’s paper “Toward a Sustainable Energy Future for All: Directions for the World Bank Group’s Energy Sector”, in particular the commitment to the responsible development of hydropower projects, as well as the search for market solutions to leverage financial resources and help governments foster private sector participation and investments.

## **B. ACHIEVEMENT OF PDOs (EFFICACY)**

### **Assessment of Achievement of Each Objective/Outcome**

#### **Rating: Negligible**

76. The project’s activities were put de facto on hold on October 2015, 13 months after project effectiveness, before the project was suspended in July 2016, and closed in September 2016.<sup>27</sup> Over the period, only US\$3.1 million was disbursed, 4.2 percent of the IDA grant amount, and limited activities were implemented over this period. Therefore, the operation's objectives could not be achieved, nor are expected to be achieved as the operation has been cancelled.

#### **Justification of Overall Efficacy Rating**

77. The status of the three PDO-level indicators are presented in the following paragraphs.

##### *Establishment of the Inga Development Authority*

78. The objective to establish a legally autonomous entity created by law, with technical and fiduciary capacities<sup>28</sup> and dedicated resources to manage, mobilize public and private financings, and monitor the development of the series of projects at Inga site<sup>29</sup> in line with international good practices, has not been met. The ADPI-RDC, established by presidential order, has no separate legal entity from the President’s office, has limited capacities, and lacks appropriate governance arrangements to mitigate the DRC’s fiduciary and broader governance challenges needed to attract significant public and private investments required for Inga site developments.

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<sup>27</sup> See section “Changes during implementation”.

<sup>28</sup> The GoRDC initially planned ADEPI to be run by a Board of Directors whose members are distinguished individuals from the government, civil society, and the private sector (See Policy Letter dated November 12, 2013).

<sup>29</sup> Including the signing of concession agreements with private concessionaires for Inga site developments.



### *Availability of Bidding Documents for Inga 3 BC Development*

79. This objective of a fully structured competitive process for the selection of the Inga 3 BC concessionaire has not been met. Bidding documents, sent to prequalified candidates in 2015, lacked critical information<sup>30</sup> necessary for the bids to hold and be evaluated in a transparent and effective manner. In June 2017, the two bidders were asked to merge into a single consortium and submit a revised offer for a project largely different in scope,<sup>31</sup> confirming the change in the Government's strategic direction for the selection process, from a Government-led structured competitive process toward a negotiated deal for a project to be largely developed by the sponsor once selected.

### *Availability of Bidding Documents for Selected Mid-size Hydropower Projects*

80. No significant activities have been carried out and no outcome was achieved on the project's Component B over the implementation period, which aimed to bring selected mid-size<sup>32</sup> hydropower projects to financial closure, by selecting promising hydropower sites, financing studies needed to inform projects design and supporting fully structured competitive processes to efficiently select private concessionaires. Following TA Project cancellation, the DRC Electricity and Access and Services Expansion (EASE) Project (P156208), approved on May 4, 2017, has included support to the identification of a long list of mid-size hydropower sites, the screening of the identified sites, prefeasibility studies of the most promising sites as well as feasibility studies for one or two sites.

## **C. EFFICIENCY**

### **Assessment of Efficiency and Rating**

#### **Rating: Negligible**

81. While US\$3.1 million were disbursed (4.2 percent of the IDA grant amount) before the TA Project was cancelled, none of the project's outcomes and objective has been achieved or is expected to be achieved in the near future. The efficiency is therefore rated negligible. Activities financed during implementation included: the structuring study for the establishment of ADEPI; Strategic advisory support; Support to the establishment and operationalization of CGI3, including Project Implementation Manuals, HR plans, support for staff recruitments, accounting software ; Panels of experts on (1) Environmental and Social safeguards and (2) on Dam safety; CGI3 staffs (PIU coordinator, FM and procurement specialists) and operating costs (office rent, missions, etc.). After the dissolution of CGI3, part of the staff has been transfer to a new structure at the Ministry of Energy focused on midsize hydropower development (see para. 68 and footnote 22).

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<sup>30</sup> including (a) clarity on the off-take arrangements, that is, terms governing the sale of power to South Africa, the mining companies, and SNEL; (b) geotechnical and hydrological data; (c) obligations relating to future Inga phases to protect the DRC's sovereign interests in Inga site subsequent developments; and (d) applicable legal framework and tax regime, that the activities financed under the TA Project intended to inform.

<sup>31</sup> See section "Changes during implementation".

<sup>32</sup> With installed capacity between 10MW and 100MW.



#### D. JUSTIFICATION OF OVERALL OUTCOME RATING

##### Rating: Highly Unsatisfactory

82. While the relevance of the PDO has been rated High, the TA Project activities were put on hold 13 months after effectiveness and very little was achieved. The overall efficacy and efficiency are rated Negligible.

#### E. OTHER OUTCOMES AND IMPACTS (IF ANY)

##### Gender

83. **No impact.** Very limited activities have been carried out over the implementation period.

##### Institutional Strengthening

84. **Negligible impacts.** Although the TA Project was designed to strengthen capacity, project activities were soon put on hold, the project was then suspended and ultimately closed in September 2016.

##### Mobilizing Private Sector Financing

85. **No impacts.** While the TA Project was designed to mobilize private sector financing and expertise for Inga 3 BC and selected mid-size hydropower projects, it was put on hold 13 months after project effectiveness, suspended, and later cancelled.

##### Poverty Reduction and Shared Prosperity

86. **No impacts.** Although the TA Project was designed to contribute to the sustainable development of Inga 3 BC and of mid-size hydropower project to the benefits of the country and its population, its objective has not been achieved.

##### Other Unintended Outcomes and Impacts

87. The Government's decisions to launch the request for proposals to prequalified bidders without waiting for the inputs of key studies expected to be financed through the TA Project, ultimately led to a delay in the preparation of future Inga site developments.<sup>33</sup>

### III. KEY FACTORS THAT AFFECTED IMPLEMENTATION AND OUTCOME

88. The key factors that affected the implementation are summarized in table 2 and further detailed in the following sections.

<sup>33</sup> During appraisal, the commissioning of the first unit was planned on July 2021. It is now announced for 2024–2025.



**Table 2. Key Factors That Affected Implementation**

Key factors		Positive	Negative
During preparation		<p>1. <b>Adequacy of risk assessment to inform the design of the TA Project.</b> Political fragility and inadequate governance environment in the DRC increased the risk of not following international good practices in the preparation of Inga 3 development. Hence, the principles of accountability, governance, and transparency for the selection of the concessionaire defined upfront in the Policy Letter.</p>	<p>2. <b>Absence of upstream engagement.</b> IDA did not engage early enough, in the process started in 2011, to support the design of the phased approach to develop the hydropower potential of the Inga site.</p> <p>3. <b>Selection of stakeholders.</b> While the IDA-DRC agreed Policy Letter was signed by the Prime Minister, commitments from the presidency, which ultimately took direct control over Inga developments, has not been agreed and secured upfront.</p> <p>4. <b>Limits to the ‘ring-fencing’ of the governance for Inga developments.</b> A project of this size is by essence highly political. The TA Project’s developments have demonstrated that its governance can hardly be entirely isolated from the broader DRC and regional political economy and entrusted to an autonomous agency.</p> <p>5. <b>Financing of key contract.</b> The IDA TA Project was not financing the transaction advisers’ contract. It has weakened the World Bank Group’s contribution to key technical and strategic decisions, despite the considerable resources mobilized.</p> <p>6. <b>Limits of the sole national TA instrument.</b> The World Bank Group did not significantly engage with South Africa and SAPP countries on the evacuation of the power to be produced at Inga.</p>
During implementation	GoDRC		<p>7. <b>Political interference.</b> With the limited capacity available, political interferences to rush private concessionaire selection have diluted the focus needed on project technical design, that ultimately delayed overall Inga site development.</p> <p>8. <b>Changes in strategic directions.</b> The GoDRC’s decision, without prior consultation with development partners, to take the project in a different strategic direction (regarding the governance and concessionaire selection process) to that initially agreed, has ultimately led to the TA Project cancellation.</p>
	World Bank	<p>9. <b>Unified World Bank Group approach to the Inga 3 BC development.</b> A unified World Bank Group team has extensively deployed considerable efforts to provide constructive contribution to technical and strategic issues.</p>	<p>10. <b>Absence of engagement at the senior political level with Inga decision makers.</b> While IDA identified increasing risks affecting the project, those were not conveyed at the appropriate level to the client side on time.</p> <p>11. <b>Coordination of development partners.</b> The lack of a coordination mechanism among IFIs occasionally affected the ability of the development partners to effectively speak with one voice to the GoDRC.</p>

**A. KEY FACTORS DURING PREPARATION**

89. **IDA was not engaged in the upstream design of the phased approach for Inga hydropower development.** IDA has engaged relatively late with the client<sup>34</sup> on support sought after to develop Inga hydropower potential. At that time, the feasibility studies for Inga hydropower development, financed by the AfDB, was almost completed and the scope of the phased approach, starting with the Inga 3 BC

<sup>34</sup> Decision meeting for the TA Project was held on September 23, 2013.



project, was already defined. The GoDRC's transaction advisers were recruited to support a selection process launched in 2010 (see para. 92 below).

90. **Adequacy of the risk assessment to inform the design of the TA Project.** The design of the TA Project was informed by an extensive assessment of the risks relating to the development of the Inga 3 BC hydropower project and subsequent Inga site hydropower projects, as well as associated mitigation measures. The assessment of risks for the TA Project has retrospectively been proved adequate, with the use of specific remedies to cancel the TA Project when it had appeared clearly that IDA had no traction on changes to strategic direction for Inga hydropower developments. The adequacy of the risk assessment and mitigation measures is discussed in the following paragraphs.

- **The comprehensive assessment of the risks relating to the development of Inga hydropower projects was central in the preparation and the justification of the TA Project.** The key risks identified for the Inga 3 BC development fell in two categories. First, the project faced the technical, financial, political, and E&S risks usually associated with large hydropower development in developing countries. Second, the project's risk profile was increased by the additional risks associated with the political fragility and the inadequate governance environment of the DRC. With a large dam to be subsequently heightened, the Inga 3 BC generation project had a very high-risk profile, amplified by the inadequate governance environment of the DRC and the project's regional dimension, characterized by associated transmission infrastructures across four countries to evacuate power toward South Africa. This resulted in a uniquely high-risk project with unusual technical, contractual, commercial, and institutional challenges. This justified a dedicated TA Project aimed to mitigate the risks identified by supporting the thorough preparation of the Inga 3 BC project.
- **The TA Project was designed to mitigate the risks associated with Inga 3 BC and subsequent Inga site developments.** The mitigation of E&S anticipated adverse impacts and anticipated geological and hydrological risks associated with the Inga 3 BC development was addressed by financing an extensive suite of technical, economic, financial, and E&S studies needed to develop, under the Government's control, the optimized project's design within the DRC's borders (see below on the limits of the instruments). Mitigating the risks associated with the political fragility and the inadequate governance environment of the DRC was at the core of the TA Project (despite a suboptimal choice of stakeholders- see para 93 below). The TA Project supported the GoDRC in implementing the principles of competition and transparency, designing balanced contracts between public and private stakeholders and regional off-takers, and ensuring a transparent selection of a private developer. The establishment of ADEPI as a fully fledged autonomous entity with technical, fiduciary capacities that would develop and monitor the successive hydropower developments of the Inga site was the cornerstone of this objective (see para. 91 below on the realism of the objective).
- **The key risk identified for the TA Project was—appropriately—the risk of the GoDRC not following international good practices in the preparation of the Inga 3 BC development.**<sup>35</sup>

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<sup>35</sup> The Project Appraisal Document (PAD) identified the risk that actually materialized and led to the project's cancellation (page 24 paragraph 115) "If the preparation of the project according to international good practice faces delays, there is a risk that some in the GoDRC will argue to prioritize speed over quality of preparation".



If this risk materialized, the TA PDO would not be reached but would also potentially expose the World Bank to considerable reputational risks. The key mitigation instrument was the Policy Letter sent by the Prime Minister to the President of the World Bank. It formed a ‘compact’ between IDA and the GoDRC and outlines the core prerequisites for continued World Bank Group engagement. The signature of the Policy Letter by the Prime Minister was an appraisal condition and discontinued adherence to the content of the letter<sup>36</sup> a suspension event in the Financing Agreement. In addition, the Financing Agreement includes legal covenants regarding setting up ADEPI on time.

- **The risk mitigation measures in place for the TA Project, and associated covenants, have been the legal basis for project suspension and subsequent cancellation.** When it appeared evident that the GoDRC decided to take the Inga 3 BC project in a different strategic direction (on governance arrangements and selection process for the concessionaire) from what was agreed between the Government and the World Bank during project preparation, the World Bank Group relied on the legal covenants relating to the Policy Letter<sup>37</sup> to suspend and then cancel the TA Project.

91. **Realistic objective. ‘Ring-fencing’ approach for the governance of Inga developments.** A project of the size of Inga, which has the potential to significantly transform, in the long run, the electricity supply over the entire subregion, is by essence highly political.<sup>38</sup> The objective of setting up a ring-fenced development authority to manage and monitor Inga development, aimed to help mobilize private participation and public financing. ADEPI was conceived as an enclave institution,<sup>39</sup> established by law with technical and fiduciary capacities, that would award concession contracts. The objective was to create some functionality within a challenging governance environment and wider political economy dynamics. In October 2015, while the draft Inga law with provisions to establish ADEPI was ready to be submitted to parliament, a presidential decree was issued to create a specialized unit in charge of Inga development, under the authority of the Director of the President’s Office. It put on hold sine die the legislative process for ADEPI established. It indicated a primarily political rather than technocratic approach to Inga developments and retrospectively questions the viability of isolating the governance of such a transformative infrastructure project from the DRC’s broader political economy.

92. **Project design. Absence of IDA financing to a critical contract for transaction advisory services.**

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<sup>36</sup> The GoDRC Policy Letter, sent on September 12, 2013, sets out principles for developing Inga 3 BC: (a) timely set up of an autonomous Inga authority; (b) allocation of electricity by consumer group (SNEL, mining companies, and Eskom); (c) PPP structuring that protects the DRC’s sovereign rights to develop the remaining 35,000 MW hydropower capacity at Inga; (d) a competitive tender process; (e) the definition of the tax regime before Request For Proposals launch; and (f) commitment to international E&S standards.

<sup>37</sup> The Financing Agreement provided with the following event of suspension “The Recipient shall have, in the opinion of the Association, failed to act, or failed to cause other relevant parties to act, in a manner consistent with the terms or consistent with the achievement of the objectives expressed in the Policy Letter.” (Section 4.01(b)).

<sup>38</sup> The Treaty on Inga governing the electricity trade between South Africa and the DRC was signed during the October 2013 state visit of President Zuma to Kinshasa.

<sup>39</sup> ADEPI was described as follows in the PAD: “[ADEPI] is not subordinate to a sector ministry. It will employ high-level competitively recruited personnel. It will be run by a Board of Directors whose members are distinguished individuals from the government, civil society, and the private sector. Recognized firms and experts will periodically review the Agency’s technical and financial performance. Review findings will be published. All members of the Agency’s staff will be hired under short-term contracts that will be renewed depending on performance reviews carried out by a recognized human resource firm.” (paragraph 38 page 35)





The GoDRC's transaction advisory support, financed by the AfDB, was one of the most critical activity of the TA Project.<sup>40</sup> It aimed at providing state-of-the-art technical, legal, and financial assistance for the structuring of the Inga 3 BC development.<sup>41</sup> While the client did not have the minimum technical capacity to efficiently supervise the work of the transaction adviser, the World Bank Group team was lacking traction during implementation over key technical and strategic decisions informed by the consultant outputs, despite the considerable resources mobilized to provide constructive contribution. This situation was compounded by IDA not financing the contract. On October 2014, an amendment to the transaction adviser's contract was signed to specify the scope of work, that did not incorporate the adjustments proposed by the World Bank Group to strengthen the terms of reference. Ultimately, the World Bank Group's extensive inputs to the draft bidding documents for the selection of the concessionaire have been largely ignored by the client and their advisers.

93. **Selection of stakeholders. Absence of commitment from the President's Office.** The Policy Letter, which sets out key principles for developing Inga 3 BC, was signed by the Prime Minister. However, the President's Office, which was not engaged during the TA Project preparation, ultimately took direct control of it a year after effectiveness.

94. **Choice of instruments. Limits of the sole national TA instrument.** Given its national nature, the preparation of the development of the transmission infrastructure through SAPP countries was out of the scope of the TA Project. However, the evacuation of power toward South Africa, the anchor off-taker, was critical for the viability of the Inga 3 BC project, a regional project by nature, on both technical and commercial aspects. IDA did not complement the TA Project with dedicated instruments aimed to engage, in parallel, with South Africa and SAPP countries at a technical level on the evacuation of the power to be produced at Inga.

## B. KEY FACTORS DURING IMPLEMENTATION

### *Factors Subject to Government and/or Implementing Entities' Control*

95. **Political interferences have diluted the focus on the technical preparation and ultimately increased delays.** During implementation, the limited capacity of the project implementing entity<sup>42</sup> has been largely focused on answering the politically driven agenda for Inga project, rather than on preparing the studies needed to launch the Government-led structured competitive process to select a concessionaire and preparing activities relating to mid-size hydropower projects.<sup>43</sup> In April 2015, the PIU

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<sup>40</sup> The transaction adviser, a consortium consisting of Orrick, Lazard, and Tractebel was hired by the GoDRC in 2010, based on a success fee. At that time, the Inga 3 BC project was based on a tunnel option to supply electricity for an aluminum smelter developed by BHP Billiton. BHP withdraw in 2012. The AfDB funded the contract of the transaction adviser from 2013 onward. During preparation of the TA Project, it was agreed that the AfDB would continue to solely finance this contract through parallel financing.

<sup>41</sup> This included support on the development of legislation, structuring option, off-take arrangements, bidding documents, and transaction support for the selection of the concessionaire, as well as the preparation of the law setting the framework for the development of Inga 3 BC and subsequent phases.

<sup>42</sup> CGI3, a unit of the Ministry in charge of Energy supported by the project, was in charge of the implementation until ADEPI is established and operational.

<sup>43</sup> None of the activities relating to the mid-size hydro component had started at the time presidential orders were issued. The bidding process for the consultancy services for (a) the assessment of the legal framework projects, (b) the multicriteria analysis of potential hydropower sites, and (c) the feasibility study for three mid-size hydropower projects, for which IDA's no-objection was given in March 2015, had not started.



was instructed to advance the selection of the concessionaire before the end of 2016, whereas (a) the reference project design defining the project functional specifications<sup>44</sup> was not ready, (b) the dialogue with RSA and mining industries, underpinning the project's bankability, had barely started on substance, (c) geotechnical and hydrological data were not available, and (d) the applicable legal framework and tax regime were not defined. The bidding documents were sent to prequalified candidates in February 2016. In June 2017, the two bidders were asked to merge into a single consortium and submit a revised offer for a project largely different in scope and size,<sup>45</sup> for which no technical studies nor off-take arrangements were available, with a commissioning now announced for 2024–2025.

**96. Unilateral changes in strategic directions for the development of Inga 3 BC.** The GoDRC's decision, without prior consultation with development partners, to transfer the preparation of the Inga 3 BC project at the presidency, thereby abrogating the TA Project's governing arrangements, and to change the selection process from a Government-led structured competitive process toward a negotiated deal, put de facto on hold the TA Project on October 2015. After eight months of exchanges that confirm the changes in strategic direction agreed between IDA and the GoDRC, the TA Project was suspended in July and cancelled in September 2016.

#### *Factors Subject to World Bank Control*

**97. Unified World Bank Group approach.** The World Bank Group adopted a unified approach to support the government-led process for the development of Inga 3 BC. Under the IDA TA Project, a World Bank Group team, including IDA and IFC staff, was formed to draw on the expertise of large infrastructure projects from across the World Bank Group and provide valuable contributions to technical, commercial, legal, and strategic aspects of the project. Considerable resources have been deployed by the World Bank to ensure proactive supervision.<sup>46</sup>

**98. Absence of timely engagement at the senior political level with Inga decision makers.** The World Bank Group's senior management was informed of the risks identified by the team with regard to the concessionaire selection process in July 2015.<sup>47</sup> The absence of leverage at the team level, despite considerable efforts deployed, as well as the need to engage at the highest political level both in the DRC and at regional level, were stressed.<sup>48</sup> The standard communication channel used by the World Bank Group to convey its messages<sup>49</sup> has retrospectively proved to be unfit. The presidential orders, which confirmed Inga's takeover by the President office and put de facto the TA Project on hold was issued on October 13, 2015, despite IDA formally expressing, a couple of weeks earlier, its interest in principle to

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<sup>44</sup> Including concessionaires' obligations relating to future Inga phases to protect the DRC's sovereign interests in Inga site subsequent developments.

<sup>45</sup> Nearly 10,000 MW to 12,000 MW compared to the 4,800 MW of the initially envisioned Inga 3 BC project.

<sup>46</sup> Between September 2014 and October 2015, four supervision missions, four sessions of strategic discussions, and one workshop were held. Nearly US\$1.03 million of IDA's budget has been spent on the TA Project's supervision, excluding IFC staff.

<sup>47</sup> A World Bank Group Inga steering committee was established in July 2015, with the following members: GEEDR Senior Director (Chair), AFRVP Senior Regional Adviser, AFCC2 Country Director and IFC's CNGDR Director. Other meetings were held in September, November, and December 2015.

<sup>48</sup> World Bank Group Inga Steering Committee, *Minutes of meeting* dated July 22, 2015, and *Follow up note on project status* dated July 31, 2015.

<sup>49</sup> On September 28, 2015, IDA sent a letter to the Ministry of Finance to respond to the letter sent to the President of the World Bank Group dated August 26, 2015.



finance the Inga 3 BC development for an amount of US\$1 billion and help syndicate other sources of concessional financing, with an associated road map.<sup>50</sup>

99. **Coordination of development partners.** The lack of a coordination mechanism among IFIs occasionally affected their ability to effectively speak with one voice to the GoDRC. The signature of the amendment to the contract of the transaction advisers (see para. 92 above) is an example of occasional misalignment, that resulted in a significantly suboptimal outcome for the client. The absence of sustained coordination between IDA and the AfDB on the implication of the changes in the governance framework and the selection process to award the concession ultimately resulted in a clear disconnect between the two institutions, which weakened IDA advocacy for a fully structured competition process rather than a quasi-negotiated deal.

#### IV. BANK PERFORMANCE, COMPLIANCE ISSUES, AND RISK TO DEVELOPMENT OUTCOME

##### A. QUALITY OF MONITORING AND EVALUATION (M&E)

100. Given the short implementation period and the absence of result achieved by the TA Project, the M&E framework design remained untested. The overall quality of M&E is, therefore, rated not applicable.

##### M&E Design

101. The Results Framework and the M&E were adequately designed and based on a clear and accepted theory of change. The indicators were adequately identified to monitor progress toward the PDO using effective M&E arrangements.

##### M&E Implementation

102. The M&E mechanism could not be tested during project implementation as the main project activities were put on hold 13 months after project effectiveness.

##### M&E Utilization

103. The M&E mechanism could not be tested during project implementation as the main project activities were put on hold 13 months after project effectiveness.

##### Justification of Overall Rating of Quality of M&E

##### Rating: Not Applicable

104. There were no shortcomings in the M&E system's design, implementation, or utilization. The M&E system, as designed, was considered adequate but remained untested to assess and monitor the achievement of the project objectives and test the links in the results chain.

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<sup>50</sup> In the letter referenced earlier.



## B. ENVIRONMENTAL SAFEGUARD, SOCIAL SAFEGUARD, AND FIDUCIARY COMPLIANCE

105. Given the limited activities supported by the TA Project before it was cancelled, the compliance of the E&S safeguards remained untested. Compliance with procurement and financial management (FM) was not the cause that initiated the cancellation process.

### Social and Environmental Safeguards

**Rating: Not Applicable**

106. TA activities, related to the preparation of safeguards instruments for the Inga 3 BC development and mid-size hydropower project, were not implemented.

### Procurement

**Rating: Moderately Unsatisfactory**

107. The overall procurement was rated Satisfactory until December 2015, when it became unsatisfactory following the abrogation de jure of fiduciary and procurement arrangements governing the project, resulting from the presidential order dated October 13, 2015.

### Financial Management

**Rating: Moderately Unsatisfactory**

108. **The overall FM was rated Satisfactory until December 2015**, when it became unsatisfactory following the abrogation de jure of fiduciary and procurement arrangements governing the project resulting from the presidential orders dated October 13, 2015. After the cancellation of the TA Project, delays to document eligible expenditures delayed the refund of resulting balance of advances. The assessment of the eligibility of expenditures incurred under the TA Project was completed on January 17, 2017, and the refund of outstanding advances was made on March 8, 2017. The disbursement record closing date for the loan H909-ZR was April 20, 2017.

## C. BANK PERFORMANCE

### Quality at Entry

**Rating: Moderately Unsatisfactory**

109. The relevance of the PDO is high and justified the World Bank's support in a transformative high-risk high-reward project. The assessment of the risks in the development of the Inga 3 BC project has been adequate and have properly informed the preparation of the TA Project. However, the design of the TA Project had pitfalls that have significantly limited its contribution to inform the Inga decision-making process in an efficient manner, notably (a) a suboptimal choice of stakeholders to maintain an effective channel of communication with actual decision makers in a politically charged environment, (b) a governance framework that proves unrealistic given the inherent political nature of the Inga project, (c) a DRC-only instrument to a regional project by nature, and (d) the absence of financing on a key contract for which IDA had a comparative advantage. The design of the TA Project included adequate remedies to allow IDA's exit when it became clear that the selection process was flawed and that IDA had no traction on it.



### Quality of Supervision

#### Rating: Moderately Satisfactory

110. The World Bank has proactively identified threats to the achievement of the development outcomes. The unified World Bank Group's approach for project supervision was appropriate given the project complexity on technical, transactional, institutional, and governance aspects. The adequacy of supervision inputs and processes (including missions and key staff) were appropriate, as well as the candor and quality of performance reporting. The World Bank has effectively protected IDA resources when fiduciary and procurement arrangements governing the project were abrogated. The World Bank Group did not succeed in resolving risks identified on time, due to the lack of traction on actual decisions made by the client (mostly attributable to TA Project design - see section on Key Factors During Preparation above). Nonetheless, through a diligent cancellation process, the World Bank has efficiently mitigated its exposure to reputational risk when the GoDRC unilaterally deviated from the strategic orientation agreed upon for the Inga 3 BC project.

### Justification of Overall Rating of Bank Performance

#### Rating: Moderately Unsatisfactory

111. The rating of overall World Bank Performance, weighting Quality at Entry and Quality of Supervision, is considered Moderately Unsatisfactory.

### D. RISK TO DEVELOPMENT OUTCOME

#### Rating: Not Applicable

112. The risk to development outcome is the risk that the development outcomes achieved at the time of completion will not be maintained. Since the achievement of development outcomes is considered negligible (see section on Assessment of Achievement of Each Objective/Outcome), the risk to development outcome is considered not applicable.

## V. LESSONS AND RECOMMENDATIONS

113. The following key lessons emerged from the project.

**Lesson 1. For TA for the preparation of high-risk high-reward transformative projects in fragile environments such as the DRC, clear commitments on strategic directions for the project should be secured upfront from the ultimate decision-making authority, that is, the presidency in the DRC's case.** The signature of a Policy Letter, that delineates the mutually agreed conditions for IDA engagement could be an appraisal condition and discontinued adherence to the content of the letter a suspension event in the Financing Agreement. This would efficiently mitigate the World Bank Group's exposure to reputational risks associated with potential deviation from strategic decisions agreed upon at appraisal. A joint approach with co-financiers would further strengthen the mechanism. During implementation, a direct communication channel should be available at the highest political level to convey critical messages on time and limit exposure to entrenched interests.

**Lesson 2. Political capture is inherent for a large-size project with significant fiscal impact and cannot**



**be entirely addressed by a plan for notional ‘ring-fenced’ governing entities abided by international good practices, so that risk can be either dismissed or permeated by the broader inadequate governance environment.** Recognizing the primacy of the political role in such projects is paramount. Building coalition at the national and regional levels (for example, including with South Africa, the major off-taker) and leveraging political buy-in could help mitigate the risks associated with political stakeholders inclined to prioritize speed over quality of preparation, which would ultimately lead to delays in the medium term.

- Lesson 3. The client needs minimum in-house transactional and technical capacity to efficiently oversee complex transactional and strategic support performed by consultants.** For projects with parallel financing from other IFIs, the World Bank should ensure that the financing of key contracts is adequately shared based on IFIs’ respective comparative advantage. The World Bank, having mobilized considerable resources during supervision to proactively provide constructive contribution to PPP structuring and the concessionaire selection process, should have financed the contract of the transaction advisers to effectively mitigate the lack of client capacity. Not financing this contract has drastically hampered IDA’s convening power on key strategic decisions.
- Lesson 4. The decision to combine, in a same project, two components characterized by different and independent risk profiles should be carefully assessed.** The artificially induced interdependence de jure may increase the overall project risk profile and should be carefully compared to expected benefits. Having an independent TA project focused on mid-size hydropower projects run in parallel may have, everything equal, accelerated the implementation of activities while preserving it from a collateral cancellation linked to the GoDRC’s decisions on non-correlated matters (that is, Inga 3 BC).
- Lesson 5. Developments partners should ensure continuous coordination to effectively speak with one voice to the GoDRC and act accordingly.** Coordination mechanisms would prevent occasional misalignment among development partners that risk damaging the legibility of IFIs’ position. IFIs alignment should also be reflected in covenants and remedies of their Financing Agreements, to prevent contradictory decisions that are detrimental to convening power.



ANNEX 1. RESULTS FRAMEWORK AND KEY OUTPUTS

A. RESULTS INDICATORS

A.1 PDO Indicators

Objective/Outcome: Establish a legally autonomous entity created by law, with technical and fiduciary capacities and dedicated resources to manage, mobilize public and private financings and monitor the development of

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Establishment of the Inga Development Authority	Yes/No	N 01-Apr-2014	N 31-May-2016	N 06-Dec-2016	N 14-Sep-2016

Comments (achievements against targets):

Objective/Outcome: Fully structured competitive process for the selection of the Inga 3 BC concessionaire.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Availability of the bidding documents for the construction of Inga 3 BC common infrastructures	Yes/No	N 01-Apr-2014	N 31-May-2016	N 06-Dec-2016	N 14-Sep-2016

Comments (achievements against targets):



**Objective/Outcome:** No significant activities have been carried out and no outcome achieved on project's component B over the short implementation period.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Availability of the bidding documents for the selection of developers for mid-size hydropower projects	Number	0.00 01-Apr-2014	0.00 31-May-2016	0.00 06-Dec-2016	0.00 14-Sep-2016
<b>Comments (achievements against targets):</b>					

## A.2 Intermediate Results Indicators

**Component:** Component A – Inga 3 BC development support (total cost US\$80.6 million)

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Component A: Inga-3 BC development through a PPP is promoted -- Intermediate Results Indicators 1: Signature of the Exclusive Collaboration Agreement	Yes/No	N 01-Apr-2014	N 31-May-2016	N 06-Dec-2016	N 14-Dec-2016
<b>Comments (achievements against targets):</b>					

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised	Actual Achieved at Completion
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				Target	
Component A: Inga-3 BC development through a PPP is promoted -- Intermediate Results Indicators 2: Availability of finalized E&S studies for Inga3 BC	Number	0.00	0.00	0.00	0.00
		01-Apr-2014	31-May-2016	06-Dec-2016	14-Sep-2016

**Comments (achievements against targets):**

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Component A: Inga-3 BC development through a PPP is promoted -- Intermediate Results Indicators 3: Power Purchase Agreements (PPAs) negotiated and publicly disclosed	Number	0.00	0.00	0.00	0.00
		01-Apr-2014	31-May-2016	06-Dec-2016	14-Sep-2016

**Comments (achievements against targets):**

**Component:** Component B – Mid-size hydropower development support (total cost US\$25.6 million)

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Component B -- Medium size	Number	0.00	0.00	0.00	0.00



projects are promoted through PPPIntermediate Result indicator 1: Availability of E&S studies for mid-size hydropower projects		01-Apr-2014	31-May-2016	06-Dec-2016	14-Sep-2016
<b>Comments (achievements against targets):</b>					

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Component B -- Medium size projects are promoted through PPPIntermediate Result indicator 2: CDM Program of activities developed	Yes/No	N 01-Apr-2014	N 31-May-2016	N 06-Dec-2016	N 14-Sep-2016
<b>Comments (achievements against targets):</b>					



**B. KEY OUTPUTS BY COMPONENT**

<b>Objective/Outcome 1: Contribute to the sustainable development of the Inga 3 BC project and of selected mid-size hydropower projects</b>	
Outcome Indicators	<ol style="list-style-type: none"> <li>1. Establishment of the Inga Development Authority (ADEPI)</li> <li>2. Availability of the bidding documents for the construction of Inga 3 BC common infrastructures</li> <li>3. Availability of the bidding documents for the selection of developers for mid-size hydropower projects</li> </ol>
Intermediate Results Indicators for intermediate Results (Component A): Inga 3 BC development through a PPP is promoted	<ol style="list-style-type: none"> <li>1. Signature of the exclusive collaboration agreement</li> <li>2. Availability of finalized environmental and social studies for Inga 3 BC</li> <li>3. Power Purchase Agreements (PPAs) negotiated and publicly disclosed</li> </ol>
Key Outputs of Component A	<ol style="list-style-type: none"> <li>1. ADEPI staff recruited through competitive processes</li> <li>2. Inga law approved by Parliament, including applicable tax regime</li> <li>3. Reference project design for Inga 3 BC available, including safeguards instruments</li> <li>4. Term sheet for PPAs and concession contracts available</li> <li>5. PPP structuring that protects the DRC’s sovereign rights to develop the remaining 35,000 MW hydropower capacity at Inga</li> </ol>
Intermediate Results Indicators for intermediate Results (Component B): Medium size projects are promoted through PPP	<ol style="list-style-type: none"> <li>1. Availability of finalized E&amp;S studies for Inga 3 BC</li> <li>2. CDM program of activities developed</li> </ol>
Key Outputs of Component B	<ol style="list-style-type: none"> <li>1. Reference project design available for selected mid-size hydropower projects.</li> <li>2. Bankable transactional documents available (draft PPA, concession)</li> <li>3. CDM program of activities developed</li> </ol>



**ANNEX 2. BANK LENDING AND IMPLEMENTATION SUPPORT/SUPERVISION**

**A. TASK TEAM MEMBERS**

<b>Name</b>	<b>Role</b>
<b>Preparation</b>	
Jean-Christophe Carret	Team Lead
Philippe J-P. Durand	TTL till June 2013
Frederic Louis	Hydropower
Alexis Madelain	Coordination
Mark Walker	Legal
Anthony Molle	Legal
Nathalie Munzberg	Legal
Rolande Pryce	Quality Assurance
Jean Michel Devernay	Hydropower
Patrice Caporossi	Project Finance
Hocine Chalal	Environmental Safeguards
Antoine V. Lema	Social Safeguards
Abdoulaye Gadiere	Environmental Safeguards
Marie Paule Ngaleu	Program Assistant
Philippe Mahele Liwoke	Procurement
Angelo Donou	Financial Management
Aissatou Diallo	Disbursement
Sarwat Hussain	Communications
Louise Mekonda Engulu	Communication
Dan Petrescu	Communication
Elvira Morella	Economic Analysis
Mireille Kabasubabo	Program Assistant
<b>Supervision/ICR</b>	
Alexis Lucien Emmanuel Madelain	Task Team Leader(s)
Philippe Mahele Liwoke	Procurement Specialist(s)
Francis Tasha Venayen	Financial Management Specialist
David J. Donaldson	Team Member
Hocine Chalal	Social Safeguards Specialist
Jean-Christophe Carret	Team Member
Nathalie S. Munzberg	Safeguards Advisor
Mark Walker	Counsel
Rahmoune Essalhi	Team Member
Veronique Gubser	Team Member
Daniel J. Murphy	Team Member
David Jean Rene Mizoule	Team Member
Marie-Paule Ngaleu	Team Member
Daniel Croft	Team Member
Frederic Louis	Team Member



Abdoulaye Gadiere	Environmental Safeguards Specialist
Patrice Claude Charles Caporossi	Team Member
Gregory Scopelitis	Team Member
Nathalie Tchoumba Bitnga	Team Member
Juliana C. Victor	Team Member
Mireille Mudipanu Kabasubabo	Team Member

**B. STAFF TIME AND COST**

Stage of Project Cycle	Staff Time and Cost	
	No. of staff weeks	US\$ (including travel and consultant costs)
<b>Preparation</b>		
FY12	6.749	68,510.88
FY13	38.776	388,842.97
FY14	102.241	535,718.56
FY15	2.249	23,290.80
<b>Total</b>	<b>150.02</b>	<b>1,016,363.21</b>
<b>Supervision/ICR</b>		
FY14	1.525	68,167.72
FY15	93.572	684,681.22
FY16	42.926	277,599.49
FY17	1.450	8,807.15
<b>Total</b>	<b>139.47</b>	<b>1,039,255.58</b>



**ANNEX 3. PROJECT COST BY COMPONENT**

<b>Components</b>	<b>Amount at Approval (US\$, millions)</b>	<b>Actual at Project Closing (US\$, millions)</b>	<b>Percentage of Approval (US\$, millions)</b>
A. Support to Inga 3 Development	0.00	80.90	0.00
B. Support to Mid-size Hydropower Development	0.00	25.60	0.00
<b>Total</b>	<b>0.00</b>	<b>106.50</b>	<b>0.00</b>



**ANNEX 4. Government’s comments on the implementation completion report relative to the DRC Inga 3 Basse Chute and Mid-Size Hydropower Development TA (Grant Ref: H909-ZR)**

**This note presents the Government’s comments on the implementation completion report relative to the abovementioned project, which you sent to me on February 9, 2018 by letter with the reference 108/BM/RDC/RR/LD/JMW/2018.**

A. Energy policy of the DRC

1. DRC has enormous hydropower potential in at 100,000 MW, 45% of which can be supplied by the Inga site alone. Despite this potential, in 2011, only 9% of the population had access to electricity and installed capacity was around 2,500 MW, which is 2.5% of the country’s potential.
2. In line with his vision to make DRC an energy and environmental power, in 2011 the President impelled the Government to pursue the objective of doubling the electricity access rate from 9 percent to 18 percent.
3. To achieve this objective, the Government adopted a strategy with three pillars:
  - i. For rural populations and small-scale industry: build micro-hydro plants among the 780 hydropower sites documented today;
  - ii. For urban populations and the manufacturing industry: rehabilitate and build mid-size hydropower plants with associated lines and efficient electricity distribution systems;
  - iii. For the extractive and processing industries: develop the 42,000 MW hydro potential at the Inga site.

B. The “Grand Inga” Project

4. The Inga site is known for its unique configuration and hydropower potential of 44,000 MW. Several development plans have been proposed for the site.
5. In 2013, an internationally recognized consulting firm, appointed thanks to financing from the African Development Bank, proposed a plan for the development of the site consisting of phases, each economically profitable, the first of which was Inga 3 Basse Chute with an installed capacity of 4,800 MW.
6. In 2013, the Government welcomed the World Bank Group’s (WBG) involvement through the Inga Basse Chute technical assistance project. The policy letter for this project from the Prime Minister to the President of the WBG sealed the agreement.



C. Project governance

7. Exercising its sovereignty in order to stimulate preparations for the Project, in 2015 DCR created a specialized unit within the Office of the Head of State to assume leadership of the Project, which had initially been housed at the Ministry of Hydraulic Resources and Electricity.

8. The Head of State took this decision with a view to promote and accelerate the Project whose results are anticipated domestically as well as in southern and western Africa. This decision resulted in the WBG suspending and canceling its technical assistance. DRC considers that the WBG withdrew due to a divergence of opinion regarding project leadership and management. However, it also respects the internal procedures of the WBG.

D. Developer selection process

9. The developer selection process continued after the departure of the WBG using transparent and competitive methods.

10. After reviewing the bids submitted by the Spanish and Chinese consortia, DRC asked the two bidders to merge into a single consortium and to submit a single revised bid. This single bid covers the Inga 3 plant with an installed capacity of 10,000 to 12,000 MW, which will reduce the growing domestic and sub-regional energy deficit. A scenario analysis of the expected bid's floor price demonstrates that it will be the most competitive price in DRC and the sub-region. This opportunity should be seized.

11. Given the current situation, on January 9, 2018, the Head of State signed Ordonnance 18/004, which provides supplementary provisions for the ADPI-RCD and establishes it as a state agency by law.

E. Conclusion

12. DRC maintains that the leadership of a project of such strategic importance falls solely under national sovereignty. Its implementation requires leadership from the country's highest authority. However, DRC is unable to implement this project without the technical support from the WBG due to its multiple technical, financial, social, and environmental implications.

13. Given that the WBG suspended its assistance due to a difference of opinion regarding project leadership and management, DRC is amenable to a new partnership agreement that emphasizes strategy, cooperation, and inclusion while taking into account its sovereignty with regard to the leadership and management of this major hydropower project.

**14. These are the Government's comments on the implementation completion report relative to the Inga 3 Basse Chute project.**





*Republique Démocratique du Congo*

Kinshasa, le 02 MARS 2018



*Ministère des Finances*

*Le Ministre*

N° CAB/MIN FINANCES/PP/KMA/2018/65

**NOTE A L'ATTENTION DE MONSIEUR LE DIRECTEUR DES OPERATIONS  
DE LA BANQUE MONDIALE EN REPUBLIQUE DEMOCRATIQUE DU CONGO**

**Concerne** : Commentaires du Gouvernement sur le rapport d'achèvement de la mise en œuvre du **Projet d'assistance technique au développement d'Inga 3 basse chute et de centrales hydroélectriques de taille moyenne (Don n°H909-ZR)**

**Monsieur le Directeur des opérations,**

1. La présente note vous est adressée en vue de vous communiquer les commentaires du Gouvernement sur le rapport d'achèvement de la mise en œuvre du projet susmentionné, que vous m'avez transmis, par votre lettre référencée 108/BM/RDC/RR/LD/JMW/2018 du 09 février 2018.

**A. Politique énergétique de la RDC**

2. La RDC regorge des potentialités hydroélectriques estimées à 100 000MW, dont environ 45% concentrée au seul site d'Inga. Malgré ce potentiel, le taux d'accès de la population en électricité n'était que de 9%, en 2011, et la puissance installée d'environ 2'500MW, soit 2,5% du potentiel national.
3. Son Excellence Monsieur le Président de la République, dans sa vision de faire de la RDC une puissance énergétique et environnementale, a impulsé, en 2011, le Gouvernement à fixer comme objectif le doublement en 2015, du taux d'accès de la population à l'électricité, pour passer de 9% à 18%.
4. Pour y arriver, la stratégie adaptée est basée sur trois axes :
  - i. Pour la population en milieu rural et la petite industrie : la construction des microcentrales hydroélectriques parmi les 780 sites hydroélectriques répertoriés à ce jour ;
  - ii. Pour la population en milieu urbain et l'industrie manufacturière : la réhabilitation et la construction des centrales hydroélectriques de moyenne puissance avec les lignes associées et des systèmes de distributions électriques efficaces ;
  - iii. Pour les industries extractives et de transformation: exploitation du potentiel de 42 000 MW du site d'Inga.

**B. Le projet Grand Inga (« le Projet »)**

5. Le site d'Inga est connu pour son unique configuration qui lui confère un potentiel hydroélectrique de 44 000 MW. Plusieurs schémas de développement du site ont été proposés.
6. En 2013, un groupement de cabinet d'études de renommée internationale, recruté sur financement de la Banque Africaine de Développement (BAID) a proposé un développement optimal du site par phases successives, chacune rentable économiquement dont la première phase était Inga 3 Basse Chute d'une puissance installée de 4800 MW.



7. Toujours en 2013, le Gouvernement a salué la venue du Groupe de la Banque mondiale (GBM) à travers son projet d'assistance technique au projet Inga 3 Basse Chute dont la lettre de politique du Premier Ministre au Président du GBM a scellé le pacte.

**C. Gouvernance du Projet**

8. En octobre 2015, la RDC, usant de sa souveraineté pour booster la préparation du Projet, a créé un service spécialisé placé au sein du Cabinet du Chef de l'Etat chargé de prendre la direction du Projet initialement logée au Ministère de l'énergie et ressources hydrauliques.
9. Cette décision est motivée par le souci du Chef de l'Etat de promouvoir et d'accélérer l'avancement du Projet dont les résultats sont attendus aussi bien dans le pays qu'en Afrique australe et occidentale. Cette décision a conduit le GBM à suspendre et à annuler son assistance technique. La RDC considère que le GBM s'est retiré suite à une divergence d'appréciation relative au leadership et à la direction du Projet. Cependant, elle respecte également les procédures internes du GBM.

**D. Processus de sélection du développeur**

10. Le processus de sélection du développeur s'est poursuivi après le départ du GBM à travers des méthodes transparentes et concurrentielles.
11. De l'analyse des offres déposées par chacun des consortiums espagnols et chinois restés en lice, la RDC a demandé aux deux candidats soumissionnaires de se regrouper et de former un consortium unique devant présenter une offre unique optimisée. Cette offre unique consiste en une centrale Inga 3 dont la puissance installée sera de 10 000 à 12 000 MW afin de faire face au déficit croissant interne et sous régional. L'analyse des scénarii du prix plancher issu de l'offre attendue a démontré que ce prix sera le plus compétitif en RDC et dans la sous-région. Une telle opportunité est à saisir.
12. Face aux enjeux de l'heure, le Chef de l'Etat a signé le 09 janvier 2018, l'Ordonnance n°18/004 portant dispositions complémentaires et transformant l'ADPI-RDC en un organisme étatique légal.

**E. Conclusion**

13. La RDC affirme qu'un projet d'une telle importance stratégique relève exclusivement de la souveraineté nationale, quant à sa direction. Sa réalisation requiert ainsi le leadership de la plus haute autorité du pays. Toutefois, la RDC ne saurait envisager la réalisation de ce projet, vu ses multiples implications techniques, financières, sociales et environnementales, sans le concours technique du GBM.
14. Aussi, tenant compte du fait que le GBM a suspendu son assistance sur la base d'une divergence d'appréciation relative au leadership et à la direction du Projet, la RDC serait disposée à convenir d'un nouvel accord de partenariat, qui prendrait en compte son caractère souverain sur le leadership et la direction de ce grand projet hydroélectrique, au contour stratégique, coopératif et intégrateur.
15. Tels sont, Monsieur le Directeur des opérations a.i, les commentaires du Gouvernement sur le rapport d'achèvement de la mise en œuvre du projet Inga 3 basse chute.

Considération distinguée.

Henri MUY MULANG



