THE DAM THAT DOES NOT GENERATE

Inga and the World Bank: 40 Years of Engagement. $107 Million Cancelled. 4.3% Disbursed. A New $250 Million Approved.

Governance, Accountability, Collapse, and Re-engagement in Africa's Largest Hydropower Mega-Project

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4.3%	$107M	18	$250M
of Inga 3 TA Disbursed	Cancelled (HU)	Months: S to HU	New Inga 3 Approved

Executive Summary

The record. The World Bank's engagement with Inga hydropower spans four decades and two political eras. Two Mobutu-era power projects (FY1982 and FY1986) were both rated Unsatisfactory. The flagship modern operation — the Inga 3 Basse Chute and Mid-Size Hydropower Development TA (P131027, $107 million, FY2014) — was rated Highly Unsatisfactory by IEG, with efficacy and efficiency both rated Negligible. Only 4.3 percent of the $73.1 million IDA grant was disbursed before cancellation. The project collapsed in eighteen months — from Satisfactory at first ISR to Highly Unsatisfactory by the fourth — before substantive implementation began. It failed not because the engineering was wrong, the hydrology was impossible, or the financing was unavailable. It failed because the governance architecture underlying the project collapsed when the political logic of a strategically significant mega-project collided with the Bank's procedural requirements for competitive procurement and institutional accountability.

The governance collapse. The Bank attempted to govern Inga through technocratic sequencing, institutional insulation, competitive procurement, and fiduciary conditionality. The project was structured around South African off-take — Eskom's projected demand for 2,500 MW was the commercial anchor, with additional supply earmarked for Katanga mining companies. The question of who would build, operate, and profit from the dam was therefore not merely technical but geopolitically strategic: it determined the allocation of Africa's largest hydropower resource between South African consumers, DRC's mining sector, Kinshasa-based elites, and 70 million Congolese without reliable electricity. In October 2015, two presidential decrees created ADPI-RDC within the President's Office without consulting the Bank, re-centralising authority over this allocation. The developer selection process became the flashpoint: the Bank concluded that 'most of the project would be specified after the selection of the concessionaire' — transforming a competitive PPP into a politically negotiated mega-concession. IEG stated:

'Political interference to private concessionaire selection ultimately led to the cancellation of the project.'

The warnings that were ignored. The governance risks were not unforeseen. The PAD itself referred to 'the inadequate investment and governance environment of the DRC.' The United States abstained at the Board in March 2014, warning that governance and environmental risks required further mitigation, that ADEPI operationalisation was uncertain, and that bidding might proceed before environmental and social studies were complete. International civil society groups — International Rivers, Bank Information Center, Counter Balance — warned that mega-dams historically concentrated political and financial power and generated incentives for opaque decision-making. These warnings closely paralleled — and predicted — the governance collapse that occurred eighteen months later.

The re-engagement. In June 2025, the Board approved a new $250 million Inga 3 Development Program (P506438) — Phase 1 of a $1 billion Multiphase Programmatic Approach. The new operation frames Inga as a phased development platform: $194 million of $250 million goes to community development and corridor investment, not to Inga preparation itself. The language of continental transformation has been partially replaced by incrementalism and inclusive development. Yet the fundamental commercial problem remains unresolved: the dam cannot be financed without a power purchase agreement, SNEL cannot credibly commit to a PPA, the DRC sovereign is not investment-grade, the Eskom off-take framework has not been replaced, and no private developer will invest without a creditworthy purchaser. Phase 1 defers this problem to Phase 2. The ISR trajectory is already repeating: implementation progress was downgraded from Satisfactory to MS within ten months. The AGREE project ($600 million) reports an '18-month delay in recruiting AECOM for Inga 3 studies' and 'zero connection projections for FY26 due to security.' The Bank is preparing a project that cannot be financed by an entity that cannot commit to purchase the output.

SNEL: the bankrupt utility that Inga depends on. Every Inga scenario assumes that SNEL — the state utility — will operate expanded generation, manage transmission, collect revenue, and deliver electricity. The Bank's own 2020 report documents that SNEL monetises less than half of the energy it produces. Technical and non-technical losses consume 36 percent of total production. Twenty-nine hydropower plants — 49 percent of installed capacity — have never been rehabilitated. The government does not pay its own electricity bills. The energy regulator has not been operationalised. Tariffs are set below cost-recovery. The Bank's assessment: 'SNEL cannot credibly commit to a PPA.' The same SNEL reform language — commercialisation, governance, tariff reform — has been recycled across every Bank engagement for twenty years, from PMEDE (FY2007) through EASE ($145 million) to AGREE ($600 million, currently MS/MS with an 18-month delay). The Bank repeatedly builds transformational generation projects on top of a utility whose governance failures it has diagnosed for two decades but never resolved.

The electricity access crisis. While the Bank has spent decades discussing Inga's potential, the number of Congolese without electricity increased from 60.1 million in 2013 to 70.2 million in 2020. National electrification stands at approximately 21 percent; in rural areas, 1 percent. Connected households experience outages averaging more than three hours per day for more than 180 days per year. The DRC is home to one-tenth of all people worldwide without access to electricity. Inga's theoretical potential is 40,000 MW. Its operational capacity is approximately 1,700 MW, much of it unreliable. The gap between potential and delivery is the gap between aspiration and institutional reality.

The institutional question. Inga demonstrates the limits of governance-by-conditionality in mega-infrastructure development. Formal procedural safeguards remain effective only while political incentives remain aligned with them. Once political priorities diverged — once the presidency decided to centralise control and accelerate concession selection — the Bank's covenants, panels, triggers, and corrective action mechanisms proved insufficient. The deeper question is whether the Bank's new phased approach represents genuine operational learning or a rhetorical reframing that preserves the underlying transformational logic while deferring the governance dilemma to Phase 2. Ambition without demonstrated learning is aspiration without foundation. The electricity access crisis is too important to address with instruments that have not yet demonstrated they can deliver.

This paper is the sixth in a series of country-level case studies on mdbreform.com. It is the companion to The Portfolio That Does Not Deliver, which documented the complete DRC portfolio record: 49 projects, $6.7 billion, 6.1 percent of committed resources to Satisfactory outcomes. Inga is the deepest single-project case study of the governance dynamics that produced that record.

THE RECORD

1. Inga's Promise: The Largest Hydropower Site in the World

The Inga site on the Congo River, 150 kilometres southwest of Kinshasa, has an estimated hydropower potential of approximately 40,000 megawatts — the largest concentration of hydropower potential in the world. The Congo River's flow is remarkably stable year-round due to drainage from both northern and southern hemispheres, eliminating the seasonal variability that limits other African rivers. At full development — the Grand Inga vision — the site could generate more electricity than any single power station on earth.

The first phase of Inga development dates to the 1970s under Mobutu. Inga 1 (351 MW) was commissioned in 1972; Inga 2 (1,424 MW) in 1982. A high-voltage DC transmission line was built to carry power 1,700 kilometres to the Katanga mining region. But neither facility has ever operated at full capacity. Decades of deferred maintenance, institutional neglect, and the collapse of SNEL (the state utility) during the wars reduced operational output to a fraction of installed capacity. As of 2020, effective generation at Inga 1 and 2 was estimated at approximately 1,000–1,300 MW — roughly 40 percent of nameplate capacity.

The modern revival of Inga emerged from NEPAD-era regional integration ambitions. Under the Southern African Power Pool framework, Inga was repositioned as a continental energy platform: cheap baseload hydropower that could supply South Africa, Zambia, Zimbabwe, and eventually West and North Africa through transcontinental transmission. The World Bank's 2014 PAD positioned Inga as 'a regional game changer' that could 'light up the African continent.' The project combined infrastructure, regional integration, private finance, and state-building ambitions simultaneously. That combination of objectives — each individually ambitious, collectively unprecedented — shaped the governance architecture from the outset.

The South African anchor and the mining dimension. South Africa's role was central and controversial. Eskom — itself struggling with the Medupi and Kusile failures documented on mdbreform.com — was the projected anchor off-taker for approximately 2,500 MW of Inga 3's output. A 2013 treaty between DRC and South Africa formalised the framework for power purchase. The commercial logic depended on this: without a creditworthy off-taker, no private developer would invest. But this meant that the majority of Inga 3's initial output was destined for export to South Africa, not for domestic Congolese consumption. The Katanga mining corridor — copper and cobalt operations whose demand was growing rapidly — was the second major claimant on Inga power. The PMEDE project (FY2007) had already framed Inga as a 'power market development and electricity export' platform, explicitly linking generation expansion to mining sector demand and

regional power trade. DRC's existing bilateral contracts supplied 110 MW to South Africa and 100 MW to Zimbabwe at approximately $0.015/kWh — generating foreign exchange but contributing nothing to domestic electrification. The fundamental question that made Inga 3 so politically charged was whether Africa's largest hydropower project would be built to serve South African consumers and international mining companies, or to provide electricity to the 70 million Congolese without access. The governance collapse of 2015 occurred precisely because that question had not been resolved — and its resolution determined who controlled the most valuable concession in African infrastructure.

Table 1. World Bank Energy and Power Projects: DRC, FY1982–2017

#	P-Code	Project	FY	Rating	Commit.	Inst.	BP Rating
1	P003036	Rehab. Shaba Power System	1982	U	N/A	IPF	NR
2	P003054	Power II	1986	U	N/A	IPF	NR
3	P131027	Inga 3 & Mid-Size Hydro Dev. TA	2014	HU	$107M	IPF	MU
4	P126661	SAPP Regional Energy/Transform.	2015	MS	$2M	IPF	MS
5	P156208	Electricity Access & Services (EASE)	2017	MS	$145M	IPF	MS
6	P159217	Hydro-Meteorological & Climate Svc.	2017	MU	$8M	IPF	MU

Source: IEG ICRR/PPAR database, March 2026. Mobutu-era projects lack commitment data. Rating key: HU = Highly Unsatisfactory, U = Unsatisfactory, MU = Moderately Unsatisfactory, MS = Moderately Satisfactory. BP = IEG Bank Performance rating.

The energy record across four decades is consistent: zero percent Satisfactory across six evaluated projects. Two Unsatisfactory in the Mobutu era. One Highly Unsatisfactory (Inga 3). Two Moderately Satisfactory (SAPP regional and EASE). One MU (hydro-meteorological). The Bank has never fully achieved its energy sector objectives in DRC. The Inga 3 TA is the most spectacular failure, but it sits within a pattern of persistent underperformance spanning forty years.

2. Governance by Institutional Insulation: The 2014 Project Design

The World Bank recognised DRC's governance fragility from the beginning. The PAD repeatedly referred to 'the inadequate investment and governance environment of the DRC.' The project's governance strategy was built around institutional insulation: the core assumption was that transformational infrastructure could proceed despite broader governance weakness if the project itself could be protected through autonomous institutions, ring-fenced fiduciary systems, competitive concession procedures, and internationally supervised procurement.

The project architecture became exceptionally elaborate. It included ADEPI (the autonomous implementation entity), CGI3 (the steering committee), interministerial coordination committees, environmental and social expert panels, dam safety

panels, PPP advisory structures, and regional coordination systems with South Africa and the Southern African Power Pool. The Financing Agreement embedded suspension triggers, governance covenants, institutional requirements, and corrective action mechanisms including Prime Minister intervention.

This was not merely a technical assistance project. It was an attempt to construct a protected technocratic governance enclave around one of the world's most politically significant infrastructure projects. The governance model depended on a specific sequencing logic: technical studies first, environmental and social work second, institutional setup third, PPP structuring fourth, off-take agreements fifth, competitive bidding last. Each stage was supposed to build the informational and institutional foundation for the next.

THE FIRST STRUCTURAL CONTRADICTION

The project's transformational rhetoric was fundamentally in tension with its governance model. The Bank described Inga as continental, transformational, strategic, and urgent. But the governance framework required slow sequencing, procedural rigor, incremental preparation, and insulated technical governance. Those two logics — urgency and rigour — eventually collided. The political logic of a strategically significant mega-project moved faster than the technocratic logic of staged preparation.

3. The Political Economy of Inga: Why the Presidency Wanted Control

The governance collapse cannot be understood without understanding why the Congolese presidency had rational reasons to centralise control over Inga. The Bank's own Systematic Country Diagnostic (2018) provides the analytical framework.

Personalized-competitive political settlements. The SCD characterises DRC's political settlement as 'personalized-competitive': 'politics is organized around personalized interactions, and rent is distributed between elites.' Reforms that upset the existing equilibrium are 'highly likely to be contested and/or sabotaged.' This diagnosis applies with full force to Inga. The Bank's governance model required depersonalised, rules-based concession management: competitive procurement, transparent evaluation, institutional independence. The Congolese political system operates through personalised discretion over concession awards. The SCD states explicitly: 'The top levels of the state make decisions on concession awards and partnership arrangements, including with foreign and multinational companies.' This is not a description of corruption. It is a description of how the Congolese state functions. The Bank attempted to override this logic through institutional insulation. The presidency reasserted it through the ADPI-RDC decrees.

Inga as sovereign strategic asset. Inga is not merely an infrastructure project. It is the DRC's most significant strategic asset after its mineral wealth — a project whose concession terms could define the country's energy economy for decades. The

developer would control the allocation of power between South African export (Eskom's 2,500 MW, worth billions in long-term revenue), Katanga mining operations (copper and cobalt, critical for global battery supply chains), and domestic supply (70 million without access). From the presidency's perspective, ceding control of developer selection to a Bank-supervised competitive process meant surrendering discretion over who would build, operate, and profit from this allocation. The presidency's decision to create ADPI-RDC was not irrational. It was a reassertion of sovereign authority over a project whose value was fundamentally political — a source of rents, patronage, and geopolitical leverage that could not be delegated to a technocratic enclave without diminishing the presidency's core resource. The irony is that Eskom itself was in crisis — the Medupi and Kusile coal plants documented on mdbreform.com (South Africa ESKOM case study) were years behind schedule and billions over budget — making the creditworthiness of the anchor off-taker itself questionable.

Alternative financing and geopolitical leverage. The governance dynamic was further complicated by the existence of alternative financing. China's engagement in DRC's mining and infrastructure sectors — including the $3 billion Sicomines infrastructure-for-minerals arrangement — demonstrated that large-scale infrastructure financing was available without World Bank governance conditionality. Gulf states, Chinese state-owned enterprises, and bilateral financiers offered capital on terms that did not require competitive procurement, environmental sequencing, or institutional insulation. The DRC government's willingness to accept Bank suspension was partly rational: the conditionality cost exceeded the perceived benefit when alternatives existed. This is the structural limitation of governance-by-conditionality in a world of diversified development finance.

The Bank's logic was also rational. The Bank's approach was not irrational. From the institutional perspective, Inga solved multiple strategic problems simultaneously: regional power demand through SAPP integration, climate-friendly baseload generation, private finance mobilisation through PPP structures, mineral corridor development, and economies of scale that could reduce unit costs across the continent. The theory of change was coherent on paper: use IDA technical assistance to prepare a bankable project, attract private concessionaires through competitive procurement, anchor the deal with South African off-take, and deliver transformational infrastructure at scale. The failure was not in the logic but in the assumption that this logic could be implemented through procedural governance in a state where 'the relationships between the state and its people are often exploitative and predatory' and where 'the availability of natural resource revenues undermines the incentive of rulers to respond to interests expressed in the society and economy.' Both quotations are from the Bank's own SCD.

THE DEEPEST ARGUMENT

The Bank attempted to depoliticise a project whose value was fundamentally political. Inga's significance to the Congolese presidency lay precisely in its discretionary potential — as a source of rents, patronage, and sovereign leverage. The Bank's

governance model required removing that discretion through competitive procurement and institutional insulation. From the presidency's perspective, this was not governance reform but the neutralisation of a strategic asset. The collision was therefore not a failure of implementation but a structural incompatibility between the Bank's procedural governance model and the political economy of the Congolese state — an incompatibility the Bank's own SCD had diagnosed.

4. The Warnings Before Approval

The United States abstained. At the Board meeting on March 20, 2014, the U.S. Treasury abstained rather than supporting the Inga 3 TA. The Treasury statement acknowledged Inga's transformational potential but expressed serious concern regarding governance, institutional capacity, environmental sequencing, utility reform, and concession management. Treasury warned that 'the governance and environmental risks required further mitigation' and questioned whether ADEPI could realistically become operational. Particularly significant was Treasury's concern that bidding specifications might proceed before completion of the Environmental and Social Impact Assessments. This concern later became central to the collapse.

The PAD itself flagged the risks. The PAD contained extensive contingency clauses: corrective action plans, Prime Minister intervention requirements, safeguard remedies, and institutional escalation procedures. The existence of these mechanisms before implementation even began suggests that governance fragility was already central to project design. The project was approved not because governance risks were underestimated or unknown. They were recognised in extraordinary detail. Rather, the expected developmental payoff was treated as sufficiently large to justify proceeding despite those risks. This is classic mega-project exceptionalism: extraordinary transformational ambition justified unusually high tolerance for governance risk.

Civil society groups warned. International Rivers, Bank Information Center, Counter Balance, and coalitions of Congolese civil society organisations argued that the Bank's governance framework substantially underestimated political economy risks, corruption vulnerabilities, and elite political incentives. They warned that mega-dams historically concentrated political and financial power, generated incentives for opaque decision-making, and subordinated governance safeguards to political momentum. The convergence between Treasury, civil society, and later IEG findings is analytically significant: the project's core governance vulnerabilities were visible before approval rather than emerging unexpectedly during implementation.

5. The Collapse: From Satisfactory to Highly Unsatisfactory in Eighteen Months

Table 2. ISR Rating Trajectory: Inga 3 TA (P131027)

ISR	Date	DO	IP	Key Issue
ISR 1	Jul 2014	S	S	Startup optimism; institutional design phase
ISR 2	Apr 2015	S	MS	Early implementation concerns; no outputs completed
ISR 3	Dec 2015	U	U	ADPI-RDC presidential decrees; governance rupture
ISR 4	Jun 2016	HU	HU	Political interference; concession crisis
ISR 5	Dec 2016	HU	HU	Early closure; project collapse before implementation

Source: ISR Sequence 1–5, P131027. World Bank Implementation Status and Results Reports, 2014–2016.

The turning point: October 2015. Two presidential decrees created ADPI-RDC within the President's Office without prior consultation with the Bank. IEG stated: 'The creation of the unit was inconsistent with Policy Letter underpinning the project.' The presidential restructuring effectively bypassed the agreed institutional structure, re-centralised authority, and undermined the fiduciary independence built into the Bank's project design. The Bank interpreted this as a fundamental breach of the governance compact.

The developer selection crisis. The conflict intensified around concessionaire selection. The stakes were enormous: whoever won the concession would build and operate a 4,800 MW facility whose output was earmarked for South Africa (2,500 MW), Katanga mining companies, and eventually domestic supply. The concession terms would define DRC's energy economy for decades — tariff levels, export allocations, revenue sharing, transmission responsibilities. Bidding proceeded despite incomplete technical studies, incomplete safeguards work, unresolved tariff structures, and unclear off-take arrangements with Eskom. The Bank feared that 'most of the project would be specified after the selection of the concessionaire' — meaning the developer, not competitive procurement, would determine how Inga's power was allocated between South African export, mining supply, and domestic access. The project risked becoming a politically negotiated mega-concession in which the terms of Africa's largest energy asset were determined by bilateral negotiation between the presidency and a favoured developer rather than by transparent competition. IEG concluded: 'Political interference to private concessionaire selection ultimately led to the cancellation of the project.'

The CLR confirms the cause. The DRC CLR (February 2022) is unusually direct about the cause of failure: 'Planned subsequent development for Inga 3 and selected mid-size hydropower projects failed due to inadequate coordination with development partners, political inference with private concessionaire selection, and the selection of a country-specific lending instrument for a project that had regional implications.' Three causes identified by IEG's own country review: political interference, donor coordination failure, and instrument mismatch. Each is a governance failure, not a technical one.

Suspension and closure. On December 17, 2015, the Bank suspended withdrawal applications, procurement approvals, and further implementation. It demanded

restructuring, clarification of concession procedures, implementation arrangements, and off-take discussions with South Africa. The project closed on September 12, 2016 — nearly three years before its planned closing date. Only $3.1 million of the $73.1 million IDA grant had been disbursed. Component 1 actual cost: zero. Component 2 actual cost: zero.

THE FAILURE OF GOVERNANCE-BY-CONDITIONALITY

The project contained legal triggers, fiduciary covenants, institutional requirements, expert panels, and suspension clauses. But once political leadership decided to centralise control, accelerate concession selection, and alter governance arrangements, the Bank had limited options other than suspension. Formal procedural safeguards remain effective only while political incentives remain aligned. Once political priorities diverged, procedural governance mechanisms proved insufficient to constrain executive authority. This is the deepest lesson of the Inga case.

6. SNEL and the Missing Foundation: The Bankrupt Utility That Inga Depends On

Inga cannot be understood in isolation from the institution on which it depends. SNEL — the Société Nationale d'Électricité — is the state utility responsible for generation, transmission, and distribution of electricity in DRC. Every Inga scenario — from the 2014 TA to the 2025 re-engagement — assumes that SNEL will operate expanded generation capacity, manage transmission infrastructure, collect revenue, maintain equipment, and deliver electricity to end users. The Bank's own reports, spanning twenty years, document in precise quantitative detail that SNEL cannot perform any of these functions at scale.

Generation: assets degraded beyond recognition. SNEL's hydropower facilities have an average age of 43 years. Twenty-nine hydropower plants — representing 49 percent of total installed capacity — have never been rehabilitated since their commissioning. Only 55 percent of generation capacity is available. SNEL estimates the cost of rehabilitating the 29 unrehabilitied plants at $800 million to $1 billion. The 4,000-kilometre Inga-Katanga transmission line operates at a fraction of design capacity. Of 31 MW of thermal generation spread across the territory, only 14 MW (46 percent) was available as of March 2020 — the remainder offline due to lack of fuel, spare parts, and the looting that accompanied the wars.

Losses: less than half of production is monetised. The Bank's 2020 'Increasing Access to Electricity' report documents the scale of SNEL's commercial collapse. Technical and non-technical losses represented 36 percent of total production in 2016. Of the energy that was billed, SNEL failed to collect 25 percent of the value invoiced. The uncollected revenue breaks down as follows: 8 percent from high-voltage and medium-voltage private customers, 55 percent from low-voltage private customers, and the remainder from the state and state-owned companies — the government does not pay its own electricity bills. The Bank's own assessment: 'Less than half of the energy produced is monetised.' A utility that monetises less than half

its output cannot finance rehabilitation, cannot maintain existing infrastructure, cannot expand the network, and cannot credibly commit to a power purchase agreement for new Inga generation.

Financial condition: a vicious cycle. The Bank describes SNEL as 'caught in a vicious cycle of mounting commercial losses, deteriorating assets and mounting debt.' Tariffs are set below cost-recovery. The 2014 liberalisation law has not been effectively enforced. The energy regulator (ARE) has not been operationalised. The rural electrification agency (ANSER) has not been operationalised. The Bank's own report states that 'renegotiating regulated tariffs and reducing SNEL's debt burden are essential to restoring SNEL's financial health.' Yet the report also notes that 'courageous political decisions to adjust electricity tariffs' are 'required' — precisely the kind of reform that the SCD described as 'highly likely to be contested and/or sabotaged' in DRC's personalised-competitive political settlement. SNEL's recovery requires politically costly decisions that DRC's governance system is structurally designed to resist.

The CLR confirms no progress. The CLR (2022) documented that the CAS targeted improved efficiency for SNEL through PPP or management contracts. IEG found: 'There is no evidence that their efficiency has increased.' SOEs were 'plagued with excessive indebtedness, deficient title to property and assets, unfinished separation of regulatory versus operating functions, and weak management know-how and discipline.' The Bank's own 2020 report reached an even more devastating conclusion regarding Inga specifically: 'SNEL cannot credibly commit to a PPA.' This sentence should be the starting point for any discussion of Inga 3. The entity that would operate the dam, sell the power, collect the revenue, and maintain the infrastructure cannot credibly commit to a power purchase agreement.

The twenty-year reform timeline. The PMEDE project (FY2007) proposed SNEL commercialisation and governance improvement as preconditions for Inga development. The EASE project ($145 million, FY2017) explicitly discussed 'advancing SNEL reforms'; the EASE restructuring paper documented the persistence of unresolved governance problems. The AGREE project ($600 million, FY2022) is the current vehicle: revenue protection, fraud reduction, metering, MIS systems, organisational reform. AGREE is rated MS/MS with an 18-month delay in recruiting AECOM for Inga 3 studies and zero connection projections in the east due to security. The Foundational Governance DPFs ($750 million combined) include SNEL governance as a prior action area. The same reform language — commercialisation, governance, tariff reform, institutional restructuring — has been recycled across every engagement for twenty years. The diagnosis has not changed because the problem has not changed.

THE MISSING FOUNDATION

The Bank's own 2020 report states: 'SNEL cannot credibly commit to a PPA.' Twenty-nine hydropower plants — 49% of installed capacity — have never been rehabilitated. Less than half of energy produced is monetised. Technical and non-technical losses consume 36% of production. The government does not pay its own electricity bills. The

energy regulator has not been operationalised. Tariffs are below cost-recovery. The utility is caught in a 'vicious cycle of mounting commercial losses, deteriorating assets and mounting debt.' This is the institutional foundation on which every Inga scenario depends. The Bank has diagnosed this correctly for twenty years and failed to resolve it. Yet it continues to prepare multi-billion-dollar generation projects that assume SNEL will function. The gap is not between ignorance and knowledge but between knowledge and practice.

7. Power Exports Versus Domestic Access

The tension between Inga's regional export rationale and domestic electricity access has defined the political economy of the project from the beginning. The 2014 project was structured around South African off-take: Eskom's projected demand was the commercial anchor. The Grand Inga vision allocated the majority of output to regional export and mining concessions, with a fraction reserved for domestic supply.

The access crisis deepened. The absolute number of Congolese without electricity access increased from 60.1 million in 2013 to 70.2 million in 2020. The electrification rate rose modestly — from approximately 14 to 21 percent — representing real but insufficient progress. Population growth outpaced electrification, adding ten million to the ranks of the unserved. The CLR's own indicators tell the story: the CAS targeted 35,000 new household connections; by project close, only 22,900 were achieved — less than 65 percent of target. Inga generates discussion about continental transformation while millions of additional Congolese fall into energy poverty.

Civil society groups have consistently argued that Inga's primary beneficiaries would be mining companies, South African consumers, and Kinshasa-based elites — not the 70 million Congolese without reliable electricity. The SCD itself notes that 'formal provisions governing the flow of proceeds from natural resources to local communities are not enforced.' The new $250 million Inga 3 programme allocates $194 million to community development, representing a genuine reorientation toward domestic benefit. But the question remains: when Phase 2 activates the dam preparation itself, whose electricity needs will drive design choices? The history of Inga suggests the answer is not ordinary Congolese.

8. The Re-engagement: Is This Time Different?

The new Inga 3 (P506438). In June 2025, the Board approved a $250 million Inga 3 Development Program as Phase 1 of a $1 billion MPA. The project frames Inga as a phased development platform: $194 million of $250 million goes to community development, local infrastructure, and corridor investment around the Inga site. Only $56 million is allocated to Inga preparation activities (institutional

strengthening, studies, safeguards). The language of continental transformation has been partially replaced by incrementalism, community benefit, and institutional gradualism.

What has changed. The diagnostic learning is genuine. The new operation does not attempt to structure a PPP concession or advance developer selection. It does not assume ADEPI will function. It explicitly sequences community benefit before dam preparation. The CPF's Box 4 — 'Weak governance has hampered the realisation of Inga's enormous hydropower potential' — demonstrates institutional self-awareness about the governance constraints. The shift from mega-project preparation to community-centred development represents a real change in operational approach.

What has not changed. The Bank still describes Inga in exceptional terms: globally significant, transformational, climate-relevant, and strategic for African development. The $1 billion MPA structure signals that Phase 1 is a platform for dam-scale investment in Phase 2. The political and symbolic weight that complicated governance during the 2014 operation has not disappeared. The ISR trajectory is already repeating: implementation progress was downgraded from Satisfactory to Moderately Satisfactory within ten months of approval. As of the latest ISR, PDO indicators had not yet registered measurable progress. Overall risk is rated High across every category. The AGREE project reports an '18-month delay in recruiting AECOM for Inga 3 studies.'

The bankability question the Bank has not answered. The fundamental commercial problem that destroyed the 2014 operation remains unresolved. Inga 3 requires a power purchase agreement with a creditworthy off-taker to attract private investment. The Bank's own 2020 report states: 'SNEL cannot credibly commit to a PPA.' SNEL monetises less than half its output, has never been rehabilitated, and is caught in a vicious cycle of mounting debt. The DRC sovereign is not investment-grade. The Eskom off-take that anchored the 2014 project has not been replaced — Eskom itself is in financial crisis, and the 2013 DRC–South Africa treaty framework has not produced a bankable commitment. Mining companies in Katanga could provide anchor demand, but no binding commercial arrangements exist. The new operation defers this question to Phase 2: $194 million of Phase 1's $250 million goes to community development, not to Inga preparation. Phase 1 is designed to build political goodwill and local benefit before confronting the commercial structure. That is politically astute. But it does not resolve the underlying problem: when Phase 2 arrives, who purchases the power?

The PPP that cannot materialise. The theory of change requires a private developer to build and operate the dam under a PPP or concession arrangement. But a PPP requires three conditions the DRC does not currently meet. First, a creditworthy off-taker: SNEL is bankrupt, the DRC sovereign is not investment-grade, and no alternative purchaser has committed. Second, a stable regulatory framework: the 2014 liberalisation law has not been enforced, the energy regulator has not been operationalised, and tariffs remain below cost-recovery. Third, governance conditions that allow competitive procurement: the 2014 project collapsed precisely because the presidency re-centralised control over developer

selection. The Bank's new phased approach defers the PPP question rather than resolving it. Phase 1 builds roads and community infrastructure. Phase 2 is supposed to prepare the dam. But the dam cannot be financed without a PPA, the PPA cannot be signed without a creditworthy utility, and the utility cannot be made creditworthy without governance reforms that the SCD describes as 'highly likely to be contested and/or sabotaged.' The Bank is moving in circles: preparing a project that cannot be financed by an entity that cannot commit to purchase the output under a regulatory framework that does not function in a governance environment that has already destroyed one Inga operation. The question is not whether Phase 1 will disburse — community infrastructure always disburses — but whether Phase 2 will confront or defer the bankability problem that has defined Inga for two decades.

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THE ISR COMPARISON

Inga 3 TA (P131027, 2014): S → S/MS → U/U → HU/HU → HU/HU. Cancelled at 4.3% disbursement.

Inga 3 Dev. Program (P506438, 2025): S/S → S/MS after ten months. PDO indicators had not yet registered measurable progress. Overall risk: High.

The trajectory is not identical. But the early pattern — optimistic initial ratings followed by rapid IP deterioration before any substantive outputs — is recognisable.

9. The Institutional Question: Why Inga Keeps Failing

Mega-project exceptionalism. Inga's developmental symbolism — the largest hydropower site in the world, the engine of African industrialisation, the answer to the continent's energy crisis — has consistently generated institutional tolerance for governance risk that would not be accepted in a normal operation. The 2014 project was approved despite the U.S. Treasury's abstention, civil society warnings, and the Bank's own assessment of DRC's governance environment. The 2025 operation was approved after the previous Inga 3 was rated Highly Unsatisfactory with Negligible efficacy. In any other sector, two consecutive U-rated predecessors and one HU would trigger a fundamental pause. Inga's symbolic status overrides that institutional logic.

The speed-governance conflict. IEG identified the core dynamic: political stakeholders were 'inclined to prioritize speed over quality of preparation.' Mega-project politics rewarded momentum, announcements, concession awards, and strategic signalling. But Bank governance required studies first, safeguards first, legal clarity first, institutional clarity first. The two timelines became incompatible. The new phased approach attempts to resolve this by separating community development (Phase 1) from dam preparation (Phase 2). But the question is whether political pressure for acceleration will respect the phasing once $250 million has been committed.

The sovereign guarantee and pipeline pressure. The institutional dynamics documented in the DRC Portfolio paper apply with full force to Inga. The sovereign guarantee ensures repayment regardless of outcome. The IDA allocation creates institutional pressure to approve at the scale of the allocation. The $1 billion MPA structure creates momentum: once Phase 1 is committed, the institutional logic favours Phase 2 approval regardless of whether Phase 1 has demonstrated that the governance constraints have been resolved. The Inga 3 TA was cancelled. The credits are being repaid. The Bank faced no financial consequence. The institutional response was to prepare a larger successor.

THE FUNDAMENTAL QUESTION

SNEL cannot credibly commit to a PPA. The DRC sovereign is not investment-grade. The energy regulator has not been operationalised. No private developer will finance a multi-billion-dollar dam without a creditworthy purchaser and a functioning regulatory framework. Phase 1 defers this problem. Phase 2 will confront it — or the Bank will be forced to choose between cancelling another Inga operation and financing a project that does not meet its own standards for commercial viability.

10. The Verdict

The Bank failed at Inga because it fundamentally misunderstood the political economy of the DRC. There was never any realistic prospect that the largest infrastructure project in the country — the concession that would determine who controls Africa's biggest hydropower resource for decades — would be ceded to a developer selected through a World Bank competitive bidding process. In a political settlement where the top levels of the state make decisions on concession awards through personalised discretion, the governance collapse was not an implementation failure. It was inevitable from the moment the project was approved.

The Bank is working on SNEL. The EASE project ($145 million), the AGREE project ($600 million), the Foundational Governance DPFs, and the CPF all target utility reform: revenue protection, fraud reduction, prepaid metering, MIS systems, tariff renegotiation, organisational restructuring. These efforts deserve acknowledgment. But they have been running in various forms for twenty years. The 2012 SNEL Performance Contract 'did not deliver on expected outcomes and expired in 2016.' The CLR found 'no evidence that their efficiency has increased.' AGREE is already at MS/MS with an 18-month delay in recruiting consultants. The diagnosis is correct. The execution has not matched it.

The sequencing is wrong. The Bank is running Inga 3 in parallel with SNEL reform, betting that SNEL will be fixed in time for Phase 2. This is the same kind of optimistic assumption that has failed repeatedly in the DRC portfolio. The rational sequence would be to demonstrate that SNEL reform has succeeded — that the utility can collect revenue, maintain assets, operationalise the regulator, and credibly commit to a PPA — before committing to a multi-billion-dollar generation expansion that depends on all of those conditions. Instead, the Bank approved a new

$250 million Inga 3 that kicks every hard question — the PPA, the developer selection, the off-take framework — to Phase 2.

The new Inga 3 PAD contains no credible plan for resolving the bankability problem by Phase 2. No identified off-taker. No PPA framework. No SNEL reform roadmap with binding milestones linked to Phase 2 activation. No explanation of how the governance dynamics that destroyed the 2014 operation have been structurally addressed. The $1 billion MPA structure creates momentum toward Phase 2 approval regardless of whether Phase 1 demonstrates that the underlying constraints have changed.

THE RATIONAL SEQUENCE

Make AGREE work. Fix SNEL. Collect revenue. Operationalise the regulator. Rehabilitate the existing 2,800 MW that has been degrading for over forty years. Demonstrate that the institutional foundation can support new generation. Then — and only then — scale to Inga 3. The electricity access crisis is too important to address by running a mega-project in parallel with the utility reform it depends on, hoping both will converge in time. The gap is not between ignorance and knowledge but between knowledge and practice.

Methodology Appendix

Project selection. This paper examines the World Bank's complete engagement with Inga hydropower and the DRC energy sector. The six evaluated projects in Table 1 were identified from the IEG ICRR/PPAR database (March 2026) filtered for DRC energy and power projects. The Inga 3 TA (P131027) analysis draws on the PAD, five ISRs, the ICR, and the IEG ICRR. The new Inga 3 Development Program (P506438) analysis draws on the PAD, two ISRs, and the IDA Statutory Committee recommendation. The U.S. Treasury Board statement (March 20, 2014) is a public document.

Analytical framework. The paper uses the same S+ threshold and commitment-weighted methodology as the DRC Portfolio paper (mdbreform.com/drc-portfolio/) and the broader mdbreform.com analytical series. The governance analysis draws on the Institutional Power Architecture paper (mdbreform.com/mti-power-architecture/) for the Country Director pipeline and DPF instrument dynamics, and on the DPO Incentive Trap paper (mdbreform.com/dpos-policy-without-performance/) for the conditionality critique.

Limitations. This paper does not assess the engineering feasibility of Inga 3 or Grand Inga. Hydrological, geotechnical, and environmental assessments are beyond scope. The paper focuses on institutional governance, accountability, and development outcome performance as documented by IEG and the Bank's own project instruments. The new Inga 3 Development Program has been operational for less than one year; ISR ratings may improve. The analysis of the re-engagement is necessarily preliminary.

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Six countries. Six questions. In each case, the gap is not between ignorance and knowledge, but between knowledge and practice.