I Need You, I Don't Need You:
South Africa and Inga III
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Executive summary

South Africa is preparing to back one of the largest infrastructure projects on the continent: the Inga III hydroelectric dam in the Democratic Republic of the Congo. At a cost of around $14 billion, the dam would produce up to 11 gigawatts (GW) of power, 2.5 GW of which South Africa has committed to purchase, to an extent underwriting the financing of the construction of the dam, which is due to begin soon. However, the Congolese authorities have not yet carried out critical impact assessments, an alarming prospect for a project that will block off most of the Congo river.

Inga III presents an obvious appeal to the South African government. Over the past two years, South Africa has been sporadically hit with increasingly major power outages, causing serious damage to the national economy. At the same time, the government has finalized its ambitious plan for generating electricity until 2030, the Integrated Resource Plan (IRP), aiming to dramatically decrease the role of coal in favor of renewable energy. The plan envisages South Africa procuring an additional 20GW between now and 2030, including 2.5 GW from Inga III.

The Congo Research Group and Resource Matters have criticized the Inga III process for its lack of inclusion and transparency, and in particular the uncertainty that it will address the crippling energy needs of 90 million Congolese.

This briefing places South Africa’s backing of Inga III in the context of its government’s foreign policy, arguing that it must be understood not only based on its economic rationale but also on how the country envisions its role in the region. South Africa’s current Inga policy is contradictory, oscillating between the desire to project an image of being a pan-Africanist power promoting the continent’s economic development, and the reality that committing to Inga makes little financial or energy policy sense.

A power purchasing agreement from South Africa is critical for the construction of Inga III. However, for South Africa to buy electricity from Inga III is risky and may be more expensive than most other sources available to South Africa. The resulting uncertainty about whether South Africa will ever really be an anchor client for Inga thus puts into question the bankability – and indeed the feasibility – of the whole project.
Trends in South Africa’s Foreign Policy

South Africa’s involvement in the Inga dam is determined by a mix of domestic politics, economic considerations, and the broader, shifting ideology undergirding its stance towards other countries on the continent. This briefing examines the African National Congress (ANC)’s shifting foreign policy before discussing its current approach to the Inga III project.

The Congo is Africa’s largest producer of copper, tin ore, coltan and cobalt ore, and the second largest exporter of diamonds. These mineral resources interest South Africa, as do the Congo’s business opportunities, particularly in retail and telecoms. Beyond these economic interests, South Africa’s engagement in the Democratic Republic of the Congo has been deeply shaped by trends in its foreign policy over the past 25 years since the end of apartheid, which are in turn linked to competing ideological and political strands of the ruling ANC. Two main fault lines, which have come increasingly to the fore in recent years, characterize the ANC’s foreign policy: internationally, between solidarity and deference to African governments; and domestically, between social justice and corruption. Despite the prominence of civil rights and solidarity in the ANC’s foreign policy of “progressive internationalism,” in practice its leaders have often chosen to privilege non-interference in the affairs of other African leaders. At the same time, and contrary to the party’s egalitarian rhetoric, the abuse of office for private interests—officially decried as state capture by a government commission—has also marred their government’s engagements on the continent, particularly during the presidency of Jacob Zuma (2009-2018). These dynamics pit solidarity for marginalized and abused populations against realpolitik, and the rhetoric of equality against clientelism and self-interest.

Toward a “Progressive Internationalism”

During the first post-apartheid government, President Nelson Mandela (1994-1999) championed human rights, multilateralism, and a strong role in conflict resolution through regional bodies such as the Southern African Development Community (SADC) and the-then Organisation of African Unity (OAU). Mandela played a lead role in condemning the dictatorship of Sani Abacha in Nigeria—controversial for a fellow African leader at the time—and was active in conflict resolution from East Timor to Northern Ireland. He and his Deputy President Thabo Mbeki devoted considerable time and energy to foreign policy. Between January 1996 and July 1998 alone, they together conducted 86 trips abroad, almost three per month.

Under Thabo Mbeki’s subsequent presidency (1999-2007), a greater emphasis was placed on finding “African solutions for African problems,” and the South African government played a critical role in peace processes across the continent. Mbeki was a fierce critic of western intervention in Darfur, Côte d’Ivoire, and Libya. He pioneered the reform of the African Union in 2002 and the creation of the New Partnership for Africa’s Development (NEPAD) in 2001. In 2002, Mbeki was instrumental in brokering a peace deal in the Congo, and he continued Mandela’s efforts to bring an end to conflict in Burundi. However, he was chastized for his refusal to criticize the crackdown on civil liberties in neighboring Zimbabwe, showcasing the tensions within the ANC between pan-African solidarity and deference to other liberation movements and African heads of state.
Under the presidency of Jacob Zuma these tensions — between principle and self-interest, solidarity with fellow heads of state and with their citizens — came to the surface more clearly and with greater controversy. The failure of the ANC government to bring about a rapid redistribution of wealth after apartheid left the party vulnerable to pressure from other African heads of state and certain quarters within the party not to intervene in Zimbabwe. Many observers perceived President Robert Mugabe’s troubles to stem from his willingness to confront white economic elites and western countries. The xenophobic outbreaks of violence across South African cities in 2008, 2013, 2015, and 2019 exemplified how competition for scarce resources in poor communities, egged on by populist rhetoric, had chipped away at the importance of pan-Africanism within the country and the ruling party. While leaders from across the political spectrum routinely lambast the scourge of xenophobia, the government’s actions and the declarations of ANC and opposition party leaders blaming immigrants for unemployment and crime send a different message.

While many of the leaders of the ANC have spent much of their lives in exile, often supported and hosted by other African countries, most South Africans have lived without much contact with the rest of the continent, and their economy and media are more connected to Europe, the United States, and Asia than other African countries.

In terms of rhetoric, greater emphasis was placed on countering American hegemony and unbridled capitalism. In 2010, South Africa joined Brazil, Russia, India, and China in the BRICS association, which seemed at the time the most definitive geopolitical realignment of the Zuma administration, but which now appears largely symbolic. An ANC National General Council 2015 foreign policy discussion document states (sic) that, “The sudden collapse of socialism in the world altered completely the balance of forces in favour of imperialism. It ushered in a new world hegemonic era of global socio-economic agenda of capitalism and free market imperatives.” The document then argues that South Africa needs to continue to ally with China and Russia against the imperialism of the United States. The emphasis on human rights, which had been central to Mandela’s presidency, was relegated to a secondary role; in 2015 South Africa did not abide by its international obligations as a signatory of the International Criminal Court (ICC), refusing to arrest Sudanese President Omar el-Bashir on an ICC arrest warrant during his stay in South Africa.

More than anything, it was probably President Zuma’s own personality and leadership style that brought about a shift in foreign policy. Much of Zuma’s approach to foreign policy appeared to be transactional. In 2014, for example, South Africa again refused the Dalai Lama a visa in order not to jeopardize its relationship with China, its largest trading partner. Similarly, there is speculation that Zuma deployed South African troops in support of Central African Republic’s faltering government due to ANC-linked businesspeople involved there. Divine Inspiration Group Oil, an oil exploration company operating in both the Congo and CAR, was alleged to have influenced Zuma’s policy. According to the South African press, Divine Inspiration is owned by Andrea Brown, a businesswoman with close ties to ANC leaders.

Another company involved in diamond prospecting, Inala Centrafrique, is reportedly partly owned by Chancellor House, an investment arm of the ANC, and by Joshua Nxumalo, another ANC-linked businessman. These commercial ties caused a diplomatic controversy when President François Bozizé, with whom these contracts had been negotiated, was overthrown in a coup in 2013. When 13 South African soldiers died during these events, fellow soldiers said through their union that they had not been deployed in support to the CAR military but rather were guarding South African business interests. Similar allegations dogged Zuma’s policy-making on Libya and Equatorial Guinea.

Since being elected president in February 2018, Cyril Ramaphosa has attempted to revitalize his country’s foreign policy. He has called for a “new dawn” in South African foreign policy, for which “democracy, justice, human rights, and good governance” should form the bedrock. However, given the strength of the pro-Zuma faction within the ANC, the competing
imperatives of South African interests, the resulting policies have been a mixed bag. In votes at the United Nations, where South Africa holds a non-permanent seat on the Security Council, it has condemned violations of human rights and civil liberties in Sudan, backed a strong mandate for the UN mission in Darfur, and reversed its former policy to denounce atrocities against Rohingya in Myanmar. However, it has been criticized for not supporting greater scrutiny of the government in Cameroon during the Anglophone crisis there and for not backing a renewal of the arms embargo on South Sudan. As we will see below, it also equivocated on the deeply flawed elections in the Congo, calling all parties to accept highly dubious results.

South Africa and the Democratic Republic of Congo

These trends in foreign policy have also been apparent in South Africa’s relations with the Congo. The post-apartheid South African government initially prioritized peacebuilding, trying – and failing – to negotiate peace between Laurent-Désiré Kabila and then-president Mobutu Sese Seko in 1997. That same year, the government supported the Congo’s joining the Southern African Development Community. To bring an end to the war that roiled the country between 1998-2003, South Africa––under the leadership of Thabo Mbeki––sent troops in support of the UN peacekeeping mission and played a critical role in peace talks between Joseph Kabila, neighboring countries, and the armed and unarmed opposition, leading to the Global and Inclusive Agreement in 2002. Mbeki then combined the promotion of national economic interests with continued support to the fledgling Congolese government, spending considerable sums on army and administrative reform, while also leading business delegations to Kinshasa to seek opportunities for the private sector.

Relations with the Congo, while not prominent in domestic political debates or in the South African press, are significant nonetheless for Pretoria. According to the South African Institute for International Affairs (SAIIA), South Africa has been one of the main providers of development assistance to the Congo. Support has been provided by a host of South African institutions and agencies, including to the electoral commission, the Congolese police and army, local administration, and for the development of key infrastructure. Within the Department of International Relations and Cooperation (DIRCO), South Africa’s foreign ministry, there is broad consensus that the Congo is a critical country for geopolitical, humanitarian, and economic reasons.

As president, Zuma privileged bilateral and often personal interactions over multilateral diplomacy. A joint commission of the South African and Congolese governments was launched during Mbeki’s presidency, bringing together the two countries’ heads of states and senior ministers to discuss a range of shared concerns. These continued sporadically during Zuma’s presidency, but both Zuma and Kabila preferred less formal one-on-one meetings.

Throughout Zuma’s presidency, he was dogged by allegations that policy toward the Congo was influenced by his own personal interests. In 2010, the Congolese government decided to sign over two oil blocks in the eastern Congo, which had previously been held by London-based Tullow Oil, to two hitherto unknown companies, Caprikat and Foxwhelp. Zuma’s nephew Khulubuse Zuma and his personal attorney Michael Hulley were the respective legal representatives of the two companies. The two companies appear to have been created for the purpose of obtaining the oil blocks, having been registered in the British Virgin Islands—which allowed their beneficial owners to remain hidden—only three months before they signed their respective contracts, and not having conducted any public business elsewhere since. The Financial Times subsequently reported that the Israeli businessman Dan Gertler, a close associate of Kabila, owned the two companies. Neither of the oil blocks have been exploited.

This transactional approach was also clear with regards to national economic interests, including the Inga dam. Just ahead of the December 2011 elections, Zuma traveled to Lubumbashi to sign a
treaty with Kabila granting South Africa 2.5 gigawatts of power from the planned hydroelectric project. South African correctional services (prisons) minister Nosiviwe Mapisa-Nqakula then led the SADC election observation mission to the Congo, the largest such delegation in 2011, which declared the polls to be largely free and fair, a statement which was sharply contradicted by the Carter Center and the European Union observation teams. This sequence of events elicited suspicions that South African economic interests prompted their – and by extension, SADC’s – rubber-stamping of dubious elections.

As the Congo headed toward the end of Kabila’s second and final mandate in 2016, with protests over the perceived manipulation of the electoral process rocking the country, South Africa remained reluctant to pressure the Kabila government. Congolese analysts saw the decision by Dlamini Nkosazana-Zuma, the chair of the African Union Commission and Zuma’s ex-wife, to send former Togolese Prime Minister Edem Kodjo to broker a controversial deal between Kabila and the opposition, as a means of undercutting civil society pressure on the government.

Zuma made a point of publicly highlighting his support to Kabila, saying he “still has a friend in South Africa.” The following year, South Africa voted against an independent investigation by the UN Human Rights Council into a dramatic outbreak of violence in the Kasaï region, as several other countries had demanded.

Cyril Ramaphosa became president of South Africa’s ruling ANC in December 2017 and of South Africa in February 2018; he was then confirmed as president during national elections in May 2019. Ramaphosa had campaigned on a platform of cracking down on cronyism and corruption within the ANC, and was known to be much more critical – at least in private – of Kabila than Zuma. In August 2018, Ramaphosa, Angolan president João Lourenço and Kabila attended a SADC summit in Windhoek, Namibia where Ramaphosa and Lourenço reportedly together pressured Kabila to publicly announce his imminent departure from office. Kabila issued a statement during the summit on August 17, saying he would be stepping down, but was reportedly angry in private that Zuma’s approach had been replaced by a more strident position from the new South African head of state.

Shortly afterwards, there was clear evidence of a fall-out between the two governments. After stories in the South African press that Mbeki was to be nominated as South Africa’s envoy to the Great Lakes region, in late August Kabila’s foreign policy advisor Barnabe Kikaya bin Karubi said publicly that Mbeki would not be granted accreditation because his administration rejected the very notion of special envoys as neo-colonial, adding that the Congo should not be “treated like a child.” Mbeki had been critical of Kabila, including signing on to a joint statement in 2017 by nine former African heads of state and Kofi Annan that said the country had fallen into a “deep crisis.” Ramaphosa later went ahead and appointed Mbeki anyway, though his officials stressed that the former president was not a special envoy but was instead a facilitator or mediator, and added that Mbeki would first concentrate on Burundi, not the Congo. Since his appointment, however, Mbeki has not obviously been active in either Burundi or Congo.

In September 2018, a delegation of Congolese opposition parties and civil society leaders met senior representatives of the ANC at the party’s headquarters in Johannesburg, and publicly urged the ANC to continue playing a role in restoring peace and security. The ANC in turn called on the South African government to “continue to engage” with the Congo, saying it was concerned that the country “could descend into chaos, instability and violence.” Several meetings followed in South Africa of senior representatives of Congolese opposition parties in their ultimately failed attempt to agree on a single candidate to oppose Emmanuel Shadary in last year’s presidential elections.

While Ramaphosa was critical of Kabila in private, ANC sources say the new president did not want to get on the wrong side of him by publicly supporting a rival. This reluctance was clear in South Africa’s stance at the United Nations Security Council (UNSC), where it pushed back against allegations of electoral fraud after the December 2018 elections in the Congo, urging for all parties to “respect” the official results. When the electoral commission declared the presidential
election in favor of Félix Tshisekedi, while announcing results meaning that parliament and most of the provinces would be controlled by Kabila’s coalition, the South African government opted not to contest the outcome, even though leaks from inside the election commission and from the Catholic Church pointed to a clear victory in the presidential poll for Martin Fayulu. On January 17th 2019, South Africa took the lead in drafting the SADC statement recognizing the results and calling on the international community to “respect the sovereignty and territorial integrity of the Democratic Republic of Congo in accordance with the AU Constitutive Act, and the SADC Treaty.” It did so despite pressure from SADC members Angola and Zambia to be much more critical; later that same day those two countries signed onto an African Union statement casting “serious doubt” on the election results and calling for the constitutional court to delay its final verdict of the outcome.

South Africa’s position had thus apparently defaulted to the post-Mandela norm within the ANC. In both the Congolese case as well as for its stance toward Zimbabwe, Ramaphosa and his then foreign affairs minister Lindiwe Sisulu’s interpretation of “progressive internationalism”—the leitmotif of the ANC’s foreign policy—was once again to downplay human rights and civil liberties in favor of pragmatism and deference to other African heads of state. South Africa’s positioning disappointed those who had expected a return to the human rights-led foreign policy of the Mandela era after Ramaphosa took the helm of the country, which took up a seat as non-permanent member of the UN Security Council in January 2019. Ramaphosa appointed Naledi Pandor as Minister of International Relations and Cooperation in May 2019, shortly after his election victory. Pandor has earned a reputation in previous ministerial positions for integrity and principle, though there are no obvious signs so far of her departing from Sisulu’s approach of realpolitik.

**South Africa and Inga**

The Inga dam complex on the Congo River has long been prized as a potential provider of electricity for the Congo and the entire region. Situated west of the capital Kinshasa at a place where the river drops by 96 meters over 14 kilometers, it has an estimated potential of 40 gigawatts. If ever fully developed, the site could become the largest hydroelectric dam in the world. Two dams have already been built here, Inga I (351 megawatts) and Inga II (1,424 megawatts), in 1972 and 1982, respectively.

Given the huge capital investment that such projects require and the feeble resources of the Congolese state, investments at Inga have catered primarily for the private sector. Inga I was supposed to provide electricity to the nearby iron mills, while Inga II was intended for the mining industry in the southern Katanga province, some thousand kilometers away. In the meantime, the World Bank estimates that around 65 million Congolese do not have access to electricity, or 80 percent of the population.

The Congolese government, with a rotating cast of partners, has been trying to build a third Inga dam since the 1990s. In October 2004, after much discussion, a new consortium was created out of the power utilities of regional countries—the DR Congo, Angola, Botswana, Namibia, and South Africa. This Western Corridor (Westcor) consortium proposed to build a 3.5GW dam. The mining giant BHP Billiton also expressed interest in the project, tabling plans for an aluminum smelter to be built nearby. Neither proposal, however, came to fruition due to a lack of financing and the volatility of Congolese politics.

The South African government, however, remained interested. Beginning in earnest in 2008, the country has suffered sporadic bouts of brownouts (known locally as loadshedding), because of the state utility Eskom’s worsening failure to generate sufficient electricity to meet demand. Until the early 2000s, Eskom had generated a sizeable surplus of electricity relative to domestic, and indeed regional demand. South Africa’s strong real GDP growth during the late
1990s and early 2000s, however, drove up electricity demand considerably, but the Mbeki government, hoping that the private sector might build new coal-fired power stations, for several years did not permit Eskom to commission any new ones of its own.

In Mbeki’s “State of the Nation” address of February 2001, he said:

With regard to the energy sector, among other things, our decision will entail restructuring the electricity supply and distribution industries to introduce greater levels of competition. Independent Power Producers will be allowed into our energy system and localised energy grids for rural areas will be developed. \(^{42}\)

But the private sector never did build any coal-fired power stations, and finally, realizing that an energy supply crunch was looming, in 2007 the South African government commissioned two coal-fired power stations, Medupi and Kusile. Both were scheduled to be fully functional by 2014, but neither are yet, despite massive budget overruns. The expensive failure of Medupi and Kusile to deliver the power expected is one of the main reasons for loadshedding in South Africa.

Another reason behind Eskom’s demise is the massive damage done to it during Zuma-era “state capture,” when the company routinely dished out cripplingly expensive tenders and contracts to the politically-connected, for work which frequently failed to materialize. Today Eskom is unable to service its debts, which total more than R450 billion (USD30.7 billion), and is reliant on continued bailouts from the government. Mitigating the crisis to a degree is the rising contribution to the national grid from renewable sources. By the end of 2018, nearly 4 gigawatts of renewable energy was in operation, accounting for approximately 5 percent of generated electricity. \(^{43}\)

Growth in renewable energy production has helped Eskom increase its electricity production capacity by 6 per cent in the last ten years, but because of patronage and corruption, its employee numbers have grown by 37 percent while its debts have ballooned by a dramatic 435 percent. \(^{44}\)

In November 2011, several weeks ahead of South African national elections, President Zuma met with his Congolese counterpart to sign a framework agreement regarding the Grand Inga dam. Two years later, in October 2013, the two countries signed the Grand Inga Treaty, in which South Africa pledged to purchase 2.5 gigawatts if Inga III was built. Following a World Bank-sponsored study in 2008, the Congolese government was now aiming at developing a new site for the dam, Inga III Basse Chute, with a projected production of 4.8 gigawatts. Under the terms of the treaty, South Africa also has the option of buying between 20 and 30 percent of the electricity produced from other phases of the Grand Inga dam. \(^{45}\)

Despite this treaty, the development of Inga advanced very slowly and the Zuma administration’s attention in the energy sector increasingly turned first to South African renewable energy projects, and then to an ambitious and controversial program to build several new nuclear reactors. To the relief of many in South African civil society, one of the first decisions Ramaphosa took once he took over from Zuma was to suspend the nuclear reactor construction program. \(^{46}\)

**Inga Finally Takes Shape**

In the meantime, however, the Inga III dam finally began to take shape. In 2009, the government created a pilot committee for the Inga III dam that includes the World Bank, the African Development Bank, and the New Partnership for Africa’s Development (NEPAD). This group financed a series of feasibility studies and helped set up various Congolese institutions to manage the project, including l’Agence pour le Développement et la Promotion du Grand Inga (ADPI).

The government issued a tender for the construction of the dam in 2010, and eventually selected two consortia, one dubbed Pro-Inga, that includes the Spanish Actividades de Construcción y Servicios (ACS) company, one of the largest construction companies in the world, as well as the Spanish company AEE Power, which had worked in the Congo for many years. The other consortium is composed of Chinese companies
and is led by the Three Gorges Corporation.

In 2015, in a controversial move, President Kabila decided to place the management of the project—which had thus far been under the purview of the prime minister and was relatively open to inputs from civil society and technical experts—under his direct control.47 As documented in a recent CRG and Resource Matters report, three inter-ministerial bodies that helped advise the project and coordinate government actions were dismantled, and private sector and civil society actors no longer had easy access to the decision-making process.48 In protest, the World Bank suspended a $73m grant in support of the project, depriving it of much-needed funds for managing the tendering process and carrying out critical impact and feasibility studies.49

The most recent Inga III proposal would reportedly involve the damming of most of the river, except for several narrow passages. To date, critical environmental, hydrological, geological, and social impact studies have not been carried out, making it difficult to predict how disruptive the dam will be to local communities and the environment.50

Nonetheless, the government pushed the project forward without significant public discussion or debate, requesting in 2017 that the two consortia fuse their proposals. In order to render the project profitable, they then proposed a much larger project that would produce at least 10 gigawatts of energy and would cost approximately $13.9 billion.51 While the destination of the energy is not clear, according to the proposal 5 gigawatts would be purchased by South Africa. In fact, according to sources close to the consortia, in order to obtain financing for the project—given the inability of the Congolese government to reliability underwrite the project—they will need a Power Purchasing Agreement (PPA) from the South African government.52 The remainder of the energy will be sold to the private sector, to other countries, and to the Congolese population. Given its lack of purchasing power, it is likely that only a fraction of the energy produced by the largest dam in Africa would go to the Congolese population.53

The new Congolese government appears now to be backtracking on its Inga III plans. In his State of the Nation address on December 13, 2019, President Tshisekedi suggested that they would begin with a 4.8GW dam and potentially add more capacity in the future. This came after pressure from the African Development Bank, which pointed out that the prefeasibility studies had already been carried out for a smaller version of the dam. It is still unclear what this means for the consortia who plan to build the dam—who had insisted on a larger dam to make it financially viable for them—and for South Africa, which had requested more electricity than this new version could provide.

**Does South Africa Need Inga?**

In August 2018, energy minister Jeff Radebe published the government’s first draft of its Integrated Resource Plan (IRP), intended to shape the country’s energy mix until 2030.54 The IRP confirmed the Ramaphosa administration’s hostile stance on nuclear energy, with no significant increase envisaged in its contribution to the total mix. By 2030, the draft IRP envisaged that the country’s energy mix would be:

![South Africa’s proposed energy mix by 2030](image-url)
• 33,847MW of coal (45%)
• 11,930MW of gas/diesel (16%)
• 11,442MW of wind (15%)
• 7,958MW of photovoltaic (11%)
• 4,696MW of hydropower (6%)

The rest (7%) would come from pumped storage, concentrated solar power, and nuclear power. This represented a significant shift away from coal, which currently produces around three-quarters of Eskom’s power. Some estimates suggest that the cost of renewable energy will equal the cost of non-renewable energy by 2030, providing additional impetus for this transition away from coal and the need for power from Inga.55

According to the IRP, buying power from Inga figured among its “applied policy adjustments and considerations.”56 The government conceded that this move, along with other “adjustments and considerations”—which were not explained—would result in about 5% higher tariffs by 2030 compared to the least cost scenario.

However, according to the draft, this higher cost could be justified through the benefit of having consistent and predictable electricity, as well as by the regional economic benefits of Inga hydropower, from which South Africa would also stand to gain.

On September 4th, 2018, Radebe appeared before the South African parliament’s energy portfolio committee to explain and defend the draft IRP. It quickly became evident during the committee meeting that the Inga project was one of the members’ main concerns. Parliamentarians from the main opposition party, the Democratic Alliance (DA), demanded to know why there was a deviation from the least cost scenario to accommodate Inga, asking “how will South Africa benefit?”

Radebe replied:

Inga is a very good project for us, for SADC and for Africa. It is part of Agenda 2063. At the African Development Bank it is one of the top priorities of the new boss there. It is of benefit to all Africans that it is implemented as soon as possible.57

Agenda 2063 is the African Union’s strategic framework for economic development over the next 50 years. The AU has identified 12 flagship projects or initiatives which it deems “very urgent and relevant and whose immediate implementation will provide quick wins.”58 Grand Inga is listed among these projects.

Despite Radebe’s defense of Inga, it was clear that even within the ANC the project had its critics. At the same parliamentary hearing, a senior member of his department told the committee that Inga would cost 2-3c/kWh [more than the lowest cost scenario, which would mean an additional R175 million ($12 million) cost to the economy per year]. Nonetheless, speaking to CRG after the meeting, deputy energy minister Thembi Majola said that a critical issue for her was that the Inga Project is not supposed to impact on the South African fiscus.59

Two months later, on November 28th 2018, the parliamentary committee on energy published a response to the draft IRP. Concerning Inga, the report pressed the government to cancel their purchase of power from Inga and instead to invest in domestic power generation, which it argued would be cheaper, more reliable, and create more jobs. Moreover, the report lamented the lack of public consultation in relation to the draft IRP, and said it was “surprisingly silent” on Eskom’s woes, stating baldly that “Eskom is fighting for its survival.”

Senior Eskom officials, meanwhile, began expressing concern at Inga’s likely cost implications for the embattled utility. According to Mbulelo Kibido, Eskom’s head of grid planning, there would need to be an entirely new transmission line first from Inga to the Congo border, and then from the Congo border to South Africa. The length of the current line between Inga and the Zambian border is 2,300 kilometers, which would cost over $1 billion to build:
You can’t use the existing lines. They won’t handle it. And a new line costs R7 million [$0.48 million] per kilometer. And that does not include the substations. Each substation would need two transformers and they are R400m [$27.42 million] each. We simply do not have that kind of money.

Kibodo also argued that South Africa is not in need of more energy, as it is supposed to be adding 11 gigawatts from Medupi and Kusile coal plants, which would, he claimed, be finished “by 2020,” despite the continued technical problems plaguing both plants. “We will want to sell power, not buy it. Inga makes no business sense for us. And there is no budget for it.” Other commentators have added that neighboring countries, including Mozambique and Namibia, will be adding additional power in coming years, contributing to the regional surplus in electricity. In private, other Eskom officials also oppose buying electricity from Inga, saying it will increase the company’s already high debt levels for an uncertain gain.

Nonetheless, in December 2018, just days before the Congolese elections, the South African government confirmed in a letter that it would double its commitment to purchase power from Inga III to 5 gigawatts, exactly the amount planned for by the consortia. While this move went almost unnoticed—it was not published until a month later when Bloomberg News obtained a copy—it was controversial given political debates underway in South Africa.

Radebe lost his job as minister after South Africa’s 2019 elections, which took place on May 8th. The Department of Energy was merged with the Department of Mineral Resources to become the Department of Mineral Resources and Energy (DMRE), headed by a new minister, former ANC Secretary-General Gwede Mantashe. Mantashe is also a former Secretary-General of the National Union of Mineworkers (NUM) and his appointment appears in part to have been designed to reassure anxious workers in the coal industry that the government has not abandoned them.

On October 18, 2019, the government published its finalized IRP. The finalized IRP’s proposed energy mix was almost exactly the same as the one in the 2018 draft, though with coal’s anticipated contribution to the total mix by 2030 reduced slightly, from 46 percent to 44.6 percent. The anticipated contribution from hydropower increased slightly from 6-6.2 percent of the total but remained at a forecast 4.696 gigawatts.

The IRP retains the government’s commitment to purchase power from Inga, which it justifies with reference to the 2013 Treaty, and South Africa’s commitment to advancing regional industrialization. The IRP alleges in this regard that Inga’s “regional development drivers are compelling, especially given that currently there is very little energy trade” within SADC. In a sign, however, that the government had taken on board all the criticism about Inga, the final IRP reiterates the country’s commitment to buy only 2.5 gigawatts from the dam project, and not the 5 gigawatts as the government had promised to purchase in its December 2018 letter. The finalized IRP also stresses that it is possible that the Inga offtake might never happen:
There is a need to finalise the technical solution for the evacuation of this power from the Grand Inga across the transit countries, viz. Congo, Zambia, Zimbabwe/Botswana into South Africa. The necessary agreements must be concluded as soon as possible if the hydro option from Grand Inga is to materialize.\textsuperscript{65}

In a presentation to the parliamentary portfolio committee on energy in November 2019, officials from the DMRE said that the IRP anticipated that South Africa would start off taking 2.5 gigawatts of power from Inga in 2030. The officials said that since Inga’s construction will take an estimated seven years, this meant it would need to begin by 2023. Failing that, said one, South Africa would consider the 2013 treaty to have lapsed and would look to source the 2.5 gigawatts elsewhere.

Questioned by MPs about how much the transmission lines from Congo to South Africa would cost – the non-profit organization International Rivers has estimated US$4 billion – officials declined to answer, saying that it depended on which transmission option was chosen. The two choices are for transmission cables to “fly over” southern African countries and deliver only to South Africa, or for them to be connected to the Zambian and Zimbabwean or Botswana grids. Officials told MPs that the two options were being discussed at SADC level, but added that no final decision was likely until it was clear that construction at Inga III was actually going ahead.\textsuperscript{66} Meanwhile, Chinese officials involved in securing financing for the project are worried that a lack of regional consensus on these power lines could undermine the viability of Inga III.

In the Congo meanwhile, Eskom’s travails have not gone unnoticed in Kinshasa. A senior advisor to Tshisekedi commented:

When I look at the news, I see that Eskom has huge debts. Debts I am not sure it can pay. I have to wonder about how they will buy our electricity.\textsuperscript{67}

Conclusion

Despite criticism from all sides domestically, the South African government’s policy continues to be to underwrite the building of Inga, one of the largest infrastructure projects on the continent, by agreeing to off-take at least 2.5 gigawatts by 2030. The government says it wants Inga III to happen because it will aid Africa’s industrialization, help diversify South Africa’s energy mix, and will increase the share of the South African total provided by renewable sources. South African President Cyril Ramaphosa recently reiterated his government’s commitment to “fast-track” the Inga III project.\textsuperscript{68}

At this stage in the process, however, it seems as though the government’s real reason for officially sticking with Inga is more that it fears the negative reputational impact on the continent of South Africa’s retreat from the project, which would arguably signal the country’s abandonment of its post-apartheid commitment to help drive Africa’s economic development.

In the best-case scenario, Inga III could provide additional electricity to the embattled South African national electricity company, albeit most likely at a higher cost than other sources and at a time when electricity supply is becoming more abundant and diverse. In the worst case, South Africa will commit itself to buying electricity it may not need, at a higher price than from other sources, and becoming complicit in significant damage to Congolese communities and the environment.
Since the inauguration of President Félix Tshisekedi, the plans for Inga III have been thrown up in the air. The government has reverted to a previous plan of wanted to build a smaller dam to produce 4.8GW, saying it might reach 11GW at a later stage. In addition, Actividades de Construcciones y Servicios (ACS), the main partner of the Spanish-led ProInga consortium, recently announced it was withdrawing from the project – a development that will certainly cause further delays. William Clowes, “Spain’s ACS Withdraws From Congo’s Giant Inga Dam,” January 20, 2020, https://www.bloomberg.com/news/articles/2020-01-20/spain-s-acs-withdraws-from-congo-s-giant-inga-iii-dam, accessed January 27th 2020.


Judicial Commission of Inquiry into Allegations of State Capture, also known as the Zondo Commission of Inquiry or Zondo Commission, https://www.sastatecapture.org.za.


Telephone interview with SA-based DRC analyst, September 2018.

Dubious South African involvement in these oil blocks may pre-date this particular deal. According to Africa Confidential, another investor who briefly held the rights to the two blocks, Divine Inspiration Group, was linked to Thabo Mbeki.


Author’s telephone interview with SA-based DRC analyst, September 2018.

I Need You, I Don’t Need You: South Africa and Inga III


41 RSW International – EDF / Ministry of Energy and Hydropower, Presentation of « Étude de développement du site hydroélectrique d’Inga et des interconnexions associées » in Kinshasa, September 21st 2013. Grand Inga is presented as being developed in seven stages: (1) Inga III, Basse Chute, 4755 MW; (2) – Inga III, Haute Chute, 3030 MW; (3) Inga 4, around 4200 MW; (4) Inga 5, around 6970 MW; (5) Inga 6, around 6680 MW; (6) Inga 7, around 6700 MW; (7) Inga 8, around 6740 MW. Groupement Orrick-Tractebel-Lazard, Note de présentation du projet, March 2014.


45 Treaty regarding the Grand Inga Project between the Republic of South Africa and the Democratic Republic of the Congo, October 29th 2013, article 9.


47 Ordonnance n°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 », in short « ADPI-RDC ».


50 Ibid.

51 Joint Consortium (Chine d’Inga 3 & Prolinga), Inga 3 Hydropower Project, Democratic Republic of Congo, Common Proposal, October 2018. According to members of the consortium, the dam could produce up to 11GW of power.

52 Telephone interview with member of the consortium, October 2018.


56 CRG attended the committee meeting and noted these comments.


59 Interview with Thembi Majola, September 2018.

60 Telephone interview with Mbulelo Kibido, August 2018.


62 Interview with Eskom officials, December 2018.


64 Ibid, page 14.


66 DMRE presentation to the National Assembly portfolio committee on Energy, November 19, 2019.

67 Author’s interview, Kinshasa, December 2019.


Cover photo: The Inga-Kolwezi high voltage line seen from the village of Nkonko Tshiela, Nganza Commune, Kananga, Kasai Central on August 5, 2019. (credit: Joshua Z. Walker)
Phuzumoya Consulting is a Cape Town-based company that conducts research into Africa’s political economy, specializing in South Africa and the Great Lakes region. It has particular expertise in natural resource governance and due diligence.

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