

Counter

Balance

Challenging
the European
Investment
Bank

Conrad's Nightmare The World's Biggest Dam and Development's Heart of Darkness

LEGENDE

Projets d'interconnexion

Axe Nord

Axe Nord (Variante)

Axe sud (corridor Est)

Axe sud (projet WESTCOR)

Axe Ouest

Stations de conversion

Stations existantes



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*At that time there were many blank spaces on the earth, and when I saw one that looked particularly inviting on a map (but they all look like that), I would put my finger on it and say, "When I grow up, I will go there. The North Pole was one of these places... Other places were scattered about the Equator, and in every sort of latitude all over the two hemispheres. I have been in some of them, and... well, we won't talk about that. But there was one yet—the biggest, the most blank, so to speak—that I had a hankering after."*¹

This is not a 'mission report' or a project analysis: it doesn't have an Executive Summary and Recommendations. It is a story. And like all stories, it works best if read all the way through, from beginning to end.

This is the story of what may be the world's largest dam, an \$80 billion, 40,000 megawatt (MW) megalith in the Democratic Republic of Congo (DRC) called Grand Inga, and the oddities that surround it: not least the 6,000km long electrical transmission line that would be built through the tropical rainforest, across the Sahara Desert and Darfur, through Egypt and the Mediterranean to bring the electricity to its destination—not poor Africans, but wealthy European consumers. And that strange plot, complemented as it is by a cast of entertaining characters—Congolese army officers with a passion for baptism, impoverished villagers living thirty to a room, Italian mechanics and World Bank presidents—grrips even on its own.

But the story exists at another level, too: the level of rhetoric and justification. If the Grand Inga dam is built, like every major oil pipeline or open-cast mine built by Western conglomerates in poor countries, it will be paid for not just with poor people's debt but also huge tranches of Western taxpayer cash. Under the rubric of 'development', publicly funded entities like the World Bank and the European Investment Bank (EIB) pump billions of dollars annually into projects that purport to lead to economic growth and poverty reduction in the

Global South. For several reasons, many of which Grand Inga encapsulates, what the vast majority of that money does is keep poor countries in a permanent condition of providing cheap raw materials to developed nations, and thus in a permanent state of poverty and deprivation.

What (apart from the prospect of massive corporate profits) is really motivating Grand Inga is the terror of the leaders of the European Union at running out of energy. The project fits into a web of colossal gas and oil pipelines, solar energy rings and high voltage electricity grids, altogether costing in the hundreds of billions, that the EU is seeking to construct in Africa, Central Asia and the Caucasus to keep energy flowing into Europe. This array of projects, almost unknown by the public and little debated by politicians, has enormous implications for global geo-politics and environment in the twenty-first century. But that is not how the project will be justified and the money for it raised. For that, it is necessary to invoke the ideals of "African electrification" and "poverty reduction"—ideals that as we will see, Grand Inga has little hope of fulfilling.

Grand Inga thus fits perfectly into the long and storied history of Western self-interest disguised as benevolence that Joseph Conrad dissected so surgically in *Heart of Darkness*—based of course on his experiences sailing the Congo River (site of Grand Inga), and the oddities and hypocrisies he encountered working for a trading company seeking to 'develop' the heart of Africa. And in that sense, development capitalism seems to us the twenty-first century direct descendant of nineteenth century colonialism. Under a rhetoric of enlightened aims and grandiose goals, many of whose exponents genuinely believe what they do makes the world a better place, 'development' is central to maintaining our artificially inflated standard of living. But it is equally crucial to our self-perception not as exploitative of poor countries but as humane, as trying to *help*: as trying to make the world a better place. The question is, for whom?

1 Joseph Conrad, *Heart of Darkness*, (Penguin, London), 2007, pp.8-9

Part One: Origins

True, by this time it was not a blank space any more. It had got filled since my boyhood with rivers and lakes and names. It had ceased to be a blank space of delightful mystery—a white patch for a boy to dream gloriously over. It had become a place of darkness. But there was in it one river especially, a mighty big river, that you could see on the map, resembling an immense snake uncoiled, with its head in the sea, its body at rest curving afar over a vast country, and its tail lost in the depths of the land. And as I looked at the map of it in a shop-window, it fascinated me like a snake would a bird—a silly little bird.²

As with all the best stories, the myth of Grand Inga begins once upon a time, a long long time ago. The site for Grand Inga is on the Congo River near Matadi, in the province of Bas-Congo in south-western DRC, where both Conrad and his narrator Marlow began the overland trek to collect boats for the long journey upriver. On the road above Matadi, amidst the scrubby, brown, burning hills, is a plaque commemorating the British explorer Henry Morton Stanley's construction of the first rail link to Stanley Pool (near the capital, Kinshasa), "which opened up Congo to civilisation."

It's safe to say that from an African perspective, the 'opening up to civilisation' of this region has not been an unqualified success. What is now the Democratic Republic of Congo was one of the last areas of Africa to come under Western colonial rule. What drew King Leopold II of Belgium to the region Stanley had newly opened up, apart from its gold, diamonds, rubber and slaves, was "there was no single all-powerful state that had to be subdued... centuries of slave-hunting raids from both the east and west African coasts had severely weakened most of [the local kingdoms]... there were more than two hundred different ethnic groups speaking more than four hundred languages and dialects. With the potential opposition so fragmented, conquest would be easy."³

What followed was what Conrad called "the vilest scramble for loot that ever disfigured the history of human conscience"⁴ and the Africa specialist Michela Wrong describes as, "the most brutal colonial system ever practised on a continent which saw more than its fair share of oppressive regimes."⁵ Roger Casement, the British diplomat later executed for treason for his sympathy for Irish independence, served in the Congo during the period (he was almost the only white man Conrad was not repulsed by). Casement wrote a memo to the Foreign Secretary outlining "the utterly merciless exploitation of the blacks":

They were compelled to work unpaid throughout the colony, given a bare minimum to eat, often in chain-gangs,

2 Ibid, p.9

3 Adam Hochschild, *King Leopold's Ghost: A Story of Greed, Terror and Heroism in Colonial Africa*, (London: Macmillan), 1999, p.62.

4 Joseph Conrad, *Last Essays*, p.17, in Dent's *Collected Edition of the Works of Joseph Conrad*, 1946

5 Michela Wrong, *In the Footsteps of Mr Kurtz*, (London: Fourth Estate), 2000, p.39

and labouring to a set timetable from dawn to dusk til in the end they literally dropped dead... Casement made it perfectly clear that hundreds of thousands of slave labourers were being worked to death every year by their white overseers, and that mutilation, by severing hands and feet, and execution by revolver, were among the everyday punitive means of maintaining discipline in the Congo.⁶

"[I]t is sobering," notes Wrong, "to register that around a century before the amputations carried out by Sierra Leone's rebel forces sent shudders through the West—reinforcing stereotypes of African barbarism—a white-led, European-commanded force had already perfected the art of human mutilation." More than mutilation: Wrong gives two estimates of the number of people killed during the colonisation of the Congo—one of 10 million, the other 13 million.⁷

But it's perhaps even more sobering to see the ideology under which this 'merciless exploitation' took place. Leopold had spent most of his adult life trying to acquire a colony, and after direct efforts to grab "a slice of this magnificent African cake" failed, he undertook the acquisition of the Congo more delicately. His "Congo Free State" was initially set up as "the International Association of the Congo": "it has been formed with the noble aim of rendering lasting and disinterested services to the cause of progress," as Leopold himself put it in a piece published in the *Times*. One European notable whose support Leopold enlisted described his plans as "the greatest humanitarian work of this time."⁸

In giving his land grab a humanitarian patina, Leopold was shrewdly playing into the prevailing ethos of the time. Colonialism was in full swing in the late nineteenth century, and it was justified by its exponents in a manner of ways: as bringing Africans the benefits of free trade (although Leopold used a legal opinion from an Oxford professor to claim the powers of sovereign states for his private companies, which pushed local chiefs into 'treaties' giving Leopold a trading monopoly over the entire region); the bringing of 'civilisation' to the 'Dark Continent'; and above all, the abolition of the slave trade.

The fact that the 'civilised' nations were *responsible* for the slave trade, and had been for nearly four hundred years, did not prevent them claiming the credit for 'combating' it.⁹ They were expedited in their righteousness by the so-called 'Arab slave-traders': Swahili-speaking Muslims from east Africa, who sold human beings to Zanzibar and the Arabian peninsula in the same (if less prolific) way Western traders had taken

6 W. G. Sebald, *The Rings of Saturn*, (London: Harvill), p.127. This echoes Conrad's description in *Heart of Darkness* of the Grove of Death, where exhausted slaves crawled away to die: "The black bones reclined at full length with one shoulder against the tree, and slowly the eyelids rose and the sunken eyes looked up at me, enormous and vacant, a kind of blind white flicker in the depths of the orbs, which died out slowly." (p.20)

7 Wrong, p.45

8 Hochschild, pp.66, 80, 46

9 Thus, although Britain had been central to the slave trade for centuries, the Albert Memorial in London, built in 1872, features (according to its original handbook) a white woman "instructing a representative of the uncivilised races" while "the broken chains at his feet refer to the part taken by Great Britain in the emancipation of the slaves." Hochschild, p.28

millions of slaves to the New World. Stanley's books brim with fiery denunciations of the miseries caused by Arab slave trading ("they have raided through the length and breadth of a country larger than Ireland, bearing fire and spreading carnage with lead and iron"), interspersed liberally, and with no apparent sense of irony, with his accounts of shooting the natives ("we perceived we were followed by several canoes, in some of which we saw spears shaken at us... I opened on them with the Winchester Repeating Rifle. Six shots and four deaths were sufficient to quiet the mocking.")¹⁰

Even more than most states born of colonial origins, then, the Congo came into being amidst extraordinary bloodshed, greed and hypocrisy. There is still a strong tendency among conservatives, as epitomised by Niall Ferguson's bestseller *Empire*, to emphasise the beneficial technical, social and institutional legacies imperial powers left to their colonies.¹¹ One of Wrong's most interesting ideas, however, is that such a legacy also works the other way round: that the violence, pillage and naked self-interest through which the Congo was formed has shaped all its subsequent history, that there is "a causal link between Belgium's exploitative regime and the excesses of Mobutu's rule."

Joseph Désiré Mobutu, absolute ruler of the country he renamed Zaire for over thirty years and better known as Mobutu Sese Seko, is now synonymous with African kleptocracy of the kind that causes international development specialists to shake their heads and exchange knowing sighs. Both his brutality and his excesses—his array of French villas and Swiss bank accounts; keeping Concorde idling on the runway in case his wife fancied shopping in Paris; the astonishingly lurid and costly palace, 'the Versailles of the Jungles', built deep in the equatorial rainforest and now overrun by monkeys—have been well chronicled. But what made possible Mobutu's unalloyed self-indulgence, as well as his absolute power, was the material and political support of the West.

Brought to power by the CIA (who gave him \$150 million in the first decade of his rule alone) after the assassination of his predecessor, Patrice Lumumba, Mobutu was kept in place for decades by the West's belief that he was an indispensable buffer against Russian expansion into Africa in the Cold War. And despite all the reports of the killings of political opponents, the personal ransacking of state assets, the precipitous drop-off in living standards and economic productivity, the World Bank and the International Monetary Fund continued to supply Mobutu with billions to ensure his political co-operation and to secure valuable resources and contracts for Western

10 Henry Morton Stanley, *The Congo and the Founding of Its Free State*, (New York: Harper and Brothers, 1885; *The Exploration Diaries of H. M. Stanley*, (New York: Vanguard), 1961, p.125

11 Niall Ferguson, *Empire: How Britain Made the Modern World* (London: Penguin), 2004. And there is a correlating conservative tendency to be angry when those 'benefits' are insufficiently acknowledged. As retired Belgian professor Jean Stengers puts it, "There's a deep sense that magnificent things were given to the Congolese and we were rewarded with huge ingratitude."

companies.¹²

Today the DRC, despite having entered the Highly Indebted Poor Countries initiative, has an external debt of around \$14 billion (with a further \$9 billion owed to China, to be paid back with mineral concessions). That is more than the DRC's entire GDP for 2009¹³, and nearly four times the threshold for debt sustainability in countries with weak institutions.¹⁴ The overwhelming majority of that was accumulated by one man: loans contracted during the Mobutu regime were neither endorsed nor recorded by any state institution—they were procured only by the man himself. As Mobutu himself put it, "Anything I say is law. Literally law. It is a fact in this country. Everything is my business."¹⁵

The DRC is a textbook case of 'odious' or illegitimate debt, accumulated by a kleptocratic regime under the auspices of international development institutions which were fully aware that this money would never help or even reach the normal economy. Yet it is being paid back, drip by drip, by the citizens of a country ranked 176 out of 182 in the UN Human Development Index, whose GDP per capita is lower in real terms now than it was at independence in 1960.¹⁶ According to the World Health Organisation, for every \$1 spent on healthcare in the DRC, \$4 is spent on debt repayments. And even the prospect of erasing the debt is used as leverage: a donor decision on whether to erase most of the \$12 billion has been delayed until March 2010—depending on whether the DRC goes back on its agreement with China and cedes the minerals instead to the West.

The Democratic Republic of Congo, then, is a country whose people have never had a state worthy of the name, a country almost literally hacked out of tribal kingdoms and jungles that has been passed from one form of exploitation to another since its inception. And now private companies, development banks and Western governments are back, preaching a seemingly different tune, not 'Enlightenment' this time but 'development'. Some of them are here for the mines in the south, the abundant copper and coltan. And more are here for the river.

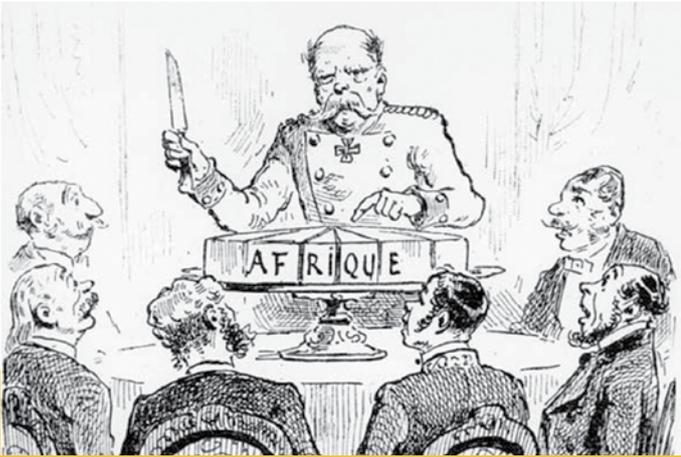
12 In one classic episode, Mobutu, feeling slighted by demands for repayment, refused to take any more IMF money. In a scene not unlike the recent World Bank triumph the Chad-Cameroon pipeline (where the Chadian president bought weapons using oil revenues earmarked for 'development' and threw the World Bank out of Chad, only for the Bank to come crawling back) the IMF spent months begging Mobutu to accept yet more of its money. He only deigned to take the cash after a personal call from Jacques Chirac saved the day for development.

13 \$11.588 billion. World Bank, World Development Indicators, October 2009

14 Africa Action, *Illegitimate Debt After Decades of Turmoil: The Case of the Democratic Republic of Congo*, 2007, www.africaaction.org/debt; interview with Victor Nzuzi, CADTM, 16/7/09; Eurodad, *Debt in the Downturn*, Oct 1 2009, www.eurodad.org/whatsnew/reports.aspx?id=3844

15 Afrodad, 'The Loan Contraction Process in Africa: The Case of the Democratic Republic of Congo', (2009), p.10; Crawford Young and Thomas Turner, *The Rise and Decline of the Zairian State*, (Madison: University of Wisconsin), 1985, p.387

16 United Nations Development Programme, *Human Development Index 2009*, http://hdrstats.undp.org/en/countries/country_fact_sheets/cty_fs_COD.html



The Congo River (locally the Nzadi, 'the river that swallows all rivers', from which Mobutu took the name Zaire), Conrad's "immense snake uncoiled", pours 1.4 million cubic feet of water into the sea per second, at a rate so powerful that it has carved a hundred mile long canyon, in places four thousand feet deep, into the ocean floor. It traverses the Equator, so some part of the river is always in the rainy season and its level rarely fluctuates. From its high plateau in central DRC, the river drops a thousand feet in 220 miles. "During this tumultuous descent, the river squeezes through narrow canyons, boils up in waves 40 feet high, and tumbles over 32 separate cataracts. So great is the drop and the volume of water that these 220 miles have as much hydroelectric potential as all the rivers and lakes of the United States combined." Stanley, who spent months failing to navigate the rapids and had several men drown in the process, described it as "a strip of sea blown over by a hurricane."¹⁷

So it would seem only logical, given that only 5-7% of Congolese people have access to electricity, to tap this immense potential source of hydropower. After all, while large dams have a catastrophic record both environmentally and economically, the Congo's flow is so powerful as to make people (mistakenly) suggest we can harness its energy without major damage to the ecosystem.¹⁸ And who is going to argue with the rights of Africans to develop their resources? To do so risks being accused of latter-day imperialism, as I discovered when I raised doubts about Grand Inga at a conference in Bonn in 2008, whereupon the ex-president of Botswana, Festus Mogae, spent his entire closing remarks (politely) attacking me for trying to prevent African development.

17 Hochschild, p.17, 55

18 It would be extremely naïve to take those suggestions at face value. The Congo River is the second richest in the world in terms of fish diversity, and large dams have consistently been shown to wipe out fish species on a massive scale. Moreover, as Kate B. Showers notes, "the Congo - and its influence - do not stop at its coastal mouth... [it] serves as a major conduit of terrestrial minerals and carbon to the deep sea. On the surface, the river's plume has been detected 800 km offshore. Accumulating marine evidence indicates the Congo's significant influence on the equatorial Atlantic, which, in turn, is central to many climate change models." Kate B. Showers, "Congo River's Grand Inga Hydroelectricity Scheme: Linking Environmental History, Policy and Impact", *Water History* 1(1), July/August 2009

With all due respect to the Honourable President, he had the wrong end of the stick. The problem is not whether Africans or anyone else are entitled to make use of their resources. The problem is the conditions under which that process takes place: who pays for it, who benefits, what is going on underneath the rhetoric. In other words, *whose development are we really talking about, ours or theirs?* The reason for this brief look at the history of the Congo is to show that *we have been here before*: that Western entities have been eagerly extracting Congolese raw materials under a rubric of benevolent co-operation for centuries. The question is, what has really changed?

Of course nobody now would say, as per Cecil Rhodes, "I would annex the planets if I could"; the discourse is far subtler now. But it retains striking similarities: more than a hundred years later, the West still preaches free trade as the way out of poverty, while trade liberalisation cost Africa \$272 billion in the twenty-five years up to 2006.¹⁹ If we replace "slavery" in those Victorian exhortations to humanitarian intervention with terms like "poverty alleviation", how different are we from them, really? And what are the Chinese if not the evil 'Arab slave traders' of today, whose alleged excesses must be combated by a more benevolent and less exploitative West?

Development is a far more sympathetic, balanced-sounding term to twenty-first century ears than 'Enlightenment'. Who would instinctively distrust the idea of 'aid' or 'Making Poverty History'?²⁰ And yet as Sarah Bracking notes in her sharp critique of the development game, *Money and Power*, "political economy processes

19 Patrick Bond, *Looting Africa: The Economics of Exploitation*, (London: Zed Books), 2006, p.159

20 Most modern objections to development and aid are actually from the right: either thinly-veiled racism masquerading as concern over 'corruption', or, more insidiously, from free market ideologues like Dambisa Moyo (presented as an authentic African voice, but schooled at Harvard and Oxford, then employed by the World Bank and Goldman Sachs), seeking even greater penetration by capital into poor economies. Moyo writes from a long tradition of ex-World Bank/IMF staff, one able to see the failure of their system to help 'developing' countries actually develop, but so deeply enmeshed in the ideology of free market capitalism that the only solution it can offer is more of what deepens poverty in the first place: liberalisation, deregulation and privatisation, the neo-liberal Holy Trinity. In that sense, it has uncanny echoes of the Victorian slave trade protests by the very people who were most responsible for the worst of the slave trade. Dambisa Moyo, *Dead Aid: Why Aid is Not Working*, (London: Allen Lane), 2009.

that have made poverty in the present have not done so in the absence of efforts in the area of 'development aid', but *in spite of it and alongside it*, and systemically with the support of development finance institutions (DFIs)... [D]evelopment finance builds a process in which poverty is, in a counterintuitive sense, not reduced, but embedded and (re)produced."²¹

Part Two: Heart of Darkness

*He began with the argument that we whites, from the point of development we had arrived at, 'must necessarily appear to them [savages] in the nature of supernatural beings... By the simple exercise of our will we can exert a power for good practically unbounded,' etc. From that point he soared and took me with him. The peroration was magnificent... This was the unbounded power of eloquence—of words—of burning noble words.*²²

*Our mission is to help developing countries and their people reach the goals by working with our partners to alleviate poverty. We address global challenges in ways that advance an inclusive and sustainable globalization—that overcome poverty, enhance growth with care for the environment, and create individual opportunity and hope.*²³

The Master Plan

According to the World Bank, "The Inga complex is the hub of the Democratic Republic of Congo's power generation industry. Located in the western section of the country, approximately 300km downriver from Kinshasa, the capital city, the Inga site holds 40,000 to 45,000 MW of the country's 100,000 MW of hydropower potential."²⁴ The World Energy Council (WEC), the trade body for the energy industry and chief cheerleader for Inga for several years, says that the Grand Inga dam alone will have "a total capacity of 39,000 MW, to be equipped progressively with 52 power generators of 750 MW each."²⁵ And the World Bank also claims that Grand Inga "would supply electricity to 500 million of Africa's 900 million people, as well as to the industries of several countries on the continent."

If this were genuine, it would require infrastructural investment and construction on a staggering scale: currently, less than 10% of rural households in sub-Saharan Africa have access to electricity, and the overall

access rate is below 25%.²⁶ Now to build a grassroots network of local power stations and household connections across Africa to give 500 million *people* access to electricity (as opposed to passing the electricity through *countries* with a population of 500 million on the way to richer markets elsewhere, which would be a dishonest con no self-respecting development bank would surely even consider) would cost tens of billions and take many years. It would also be what activists and local communities have been demanding for decades: the kind of investment that genuinely channels resources and growth to real people, not mega-corporations.

As the UN Economic Commission for Africa (UNECA) puts it, "The need for enhancing access to electricity among the poor cannot be overemphasized. In sub-Saharan Africa, the poor, especially in rural areas, form the majority of the population. Therefore, access to electricity is likely to widen their scope of income generating opportunities."²⁷ Could it be, then, that Grand Inga might just signal a bright new dawn in access to energy and opportunity for poor Africans?

A Very Very Very Long Wire

The greatest shock on the road from Kinshasa to Matadi is the trees. There are none. Eight hours of driving takes you through mile after mile of nothing more than scrubby, brown, empty hills. In many places the scrub has been set alight, for reasons no-one could explain, and smoulders petulantly next to exposed gas pipelines and small villages. Occasionally we swoop through small valleys where perhaps the angle of the slope was too steep to make cutting down the trees worth the labour of dragging them out, and for a heartbreakingly short moment there is greenery and a palpable coolness. We pass dozens of people carrying bundles of little more than twigs, destined for the braziers in Kinshasa to turn into charcoal. "I remember in the Eighties these hills were all forested, but then the people cut them down," says Mike, our driver. "If they had electricity, they wouldn't need to cut the forests down."

Whether all the clearances were down to energy needs, or if access to electricity would necessarily stop the cutting, who can say. But there cannot be a more powerful testimony to Congolese people's poverty than the massacre of the trees of Bas-Congo. Even in Conrad's time, as his *Congo Diary* makes clear, the forests here were not as impenetrably dense as those he so memorably describes upriver, but the arid desolation that now stretches for hundreds of kilometres takes the breath away. If Grand Inga or any hydro project on the Congo could meet at least some these people's needs such that the forests might recover, it would be an immeasurable service both to human beings and to the ecosystem. Real development, in other words.

But that is not what is planned.

21 Sarah Bracking, *Money and Power: Great Predators in the Political Economy of Development*, (London: Pluto Press), 2009, pp.xii-xiv

22 Conrad, *Heart of Darkness*, p.61

23 World Bank, *About Us—The Challenge*, www.worldbank.org

24 World Bank, *DR Congo Power Plant Holds Promise for Energy Supply to Millions across Africa*, <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/CONGODEMOCRATICEXTN/0,,contentMDK:22132713~menuPK:349472~pagePK:2865066~piPK:2865079~theSitePK:349466,00.html>, April 6 2009

25 World Energy Council, *How to make the Grand Inga Hydropower Project happen for Africa*, April 2008, p.1. By comparison, the hugely controversial Three Gorges Dam in China, the largest electricity plant on earth, currently has a total capacity of only 18,200 MW.

26 Africa Electrification Initiative, <http://www.euei-pdf.org/project+M56b44e6015f.html>

27 United Nations Economic Commission for Africa, "Making Africa's Power Sector Sustainable: An Analysis of Power Sector Reforms in Africa", 2007, p.105



Source: World Energy Council, How to make the Grand Inga Hydropower Project happen for Africa, April 2008.

This is a map of the export routes by which the Grand Inga project is to be made financially viable. This is a project whose price tag (even before the inevitable cost increases when construction begins) seems to be rising all the time, from \$50 billion a couple of years ago to \$80 billion more recently and now, according to an interview with the African Development Bank (AfDB), as high as \$100 billion.²⁸ How that astounding figure is to be raised is the great mystery of the scheme. One possible answer is that the DRC, one of the world's poorest and most heavily indebted nations, becoming yet more deeply indentured to the richest entities on the planet.

It is telling that when the WEC gathered all the major potential Grand Inga 'stakeholders' (with the minor exception of African NGOs and community leaders, whom it refused to allow to participate) at a meeting in London in April 2008, the EIB presentation focused on Public-Private Partnership (PPP) as its method of financing.²⁹ PPPs have become notorious among activists in recent years for two reasons: they have a track record of massively inflating project costs, and they place the cost burden firmly on governments while retaining the profits,

and very often the ownership of the project itself, for the private sector.³⁰

The other mechanism, perhaps even more likely, is to make Grand Inga an Independent Power Producer (IPP)—a wholly private enterprise carried out by private sector developers independently of government. While IPP would exempt the DRC from taking on an even greater debt burden, it also makes it extremely likely that the state would sell off access to the massive hydropower resources at Inga to private interests for a relative pittance—and would then have little to no control over the environmental and social impacts of the dam or the use of the energy generated.

This creation of private Western energy colonies in poor countries is one of the major current trends in development finance. In the Baku-Tbilisi-Ceyhan (BTC) oil pipeline, another IFI-funded energy grab across several countries (Azerbaijan, Georgia and Turkey), the project contractors (led by BP) used a 'stabilisation clause' in the project contracts to freeze the legal regime around the pipeline for its 40 year duration. The clause exempts BP from national environmental and social laws, and prevents future governments in the three countries from requiring the project to adhere to stricter legislation or to pay higher taxes—essentially lifting BTC out of geography, away from local jurisdiction and under the control of multinational corporations. Any dispute involving affected people is referred to a three man corporate panel in Geneva. We hark back to Leopold and his Oxford legal opinion.³¹

As the map shows, though, whatever means is used to raise the initial finance, the main way to make Grand Inga profitable is to export the energy. Some would go to other parts of the DRC to fuel the mines in the south, but mainly it would be exported to richer markets. One of the export lines would go to South Africa, with its constant hunger for energy, through Angola, Namibia and possibly Botswana. Another would loop through Zambia and Zimbabwe, like the others keen to tap Congolese energy for mines and heavy industry, and a third to Nigeria.

But as every study makes clear, the key export route to make Grand Inga viable is a high voltage transmission line through the equatorial jungles of Congo-Brazzaville and the Central African Republic, across Darfur, Sudan and the Sahara Desert to Egypt, and then under the Mediterranean Sea to Europe, some 5800 km in all.

It sounds for all the world like some crazed idea Mr Kurtz (the corrupted European who, far more than Africa, is Conrad's true heart of darkness) might have scribbled in his notebooks (in his visionary humanitarian phase, shortly before "Exterminate all the brutes!") To transmit electricity on a wire from south of the equator, through jungle and desert and sea, all the way to Europe! And yet

28 Interview with M. Raymond Kitandala, African Development Bank, Kinshasa, 22 July 2009

29 Flavia Palanza, The European Investment Bank and Public Private Funding: Financing Inga Hydropower Projects, presentation to the World Energy Council meeting, London, April 21 2009

30 In the M25 road widening scheme in the UK (to which EIB has given more than £500 million) PPP has increased the cost of the project from an estimated £478 million to £6.2 billion. The UK government is now committed to around £215 billion in future PPP contracts, much of which will be spent first to pay private entities inflated fees to build hospitals and schools, then to pay them again to lease back the completed project. George Monbiot, 'The Biggest, Weirdest Rip-Off Yet', Guardian, 7 April 2009; 'The Real Expenses Scandal', Guardian, 26 May 2009

31 Baku-Ceyhan Campaign, <http://www.bakuceyhan.org.uk/>

there it is, right at the heart of the World Bank and WEC's project documents.³²

Imagine for one moment the vertiginous cost and technical complexity of such a line. According to engineers, nothing like it has ever been tried before. Hydro power is generated and transmitted in Alternative Current (AC); the standard AC high voltage transmission line is 1,000 KV (one million volts) At this voltage physical impediments, called the Ferranti effect, mean the maximum line length is 2,000 km. Any longer means impossibly high levels of power wastage.

So the line is likely to be in Direct Current (DC), the longest example of which is only a third as long as the planned Inga-Europe line: the deteriorating Inga-Kolwezi line taking power to the mines in Katanga, which as we shall see has itself quadrupled in cost. DC lines can transport power more efficiently over vast distances. They also virtually **guarantee that local people will be frozen out of the new energy supply.** The transport lines will likely be 500 KV, while most village distribution lines are 11 or 33 KV. Every time the line passes a population wanting to be connected, a new substation is needed to convert the power to AC and bring the voltage down. That means great expense for virtually no return—something the project developers will be trying to avoid at all costs.

Then think of the environmental carnage of chopping a path for the line through the jungles. Greenpeace describes the Congo rainforest as having “exceptional ecological importance: the forest is home to 270 species of mammals, of which 39 are unique to the region. The Congo rainforest is home to animals like the okapi, Congo peacock, forest buffalo, the rare bongo antelope and forest elephant. The Congo rainforest is also home to around 10,000 species of plants, of which 3,300 are unique to the region.” Greenpeace also notes that 40 million people in the DRC, including the Bantu people and the Twa pygmies, depend on the forests for subsistence: will there really be a consultation process or an Environmental Impact Assessment that even begins to acknowledge their rights or the impact such a project would have on their lives? All the evidence is that once virgin tracts of forest are opened up to the outside world, the lives of indigenous peoples are effectively destroyed by illegal logging, hunting, disease and the commercialisation of their traditional lands.³³

And then think one more time, of the fundamental implication of such a line: that Europeans hit a switch and energy from the Congo River lights up their homes, and the people living next to the Congo River have nothing but darkness. Because that is the unavoidable implication of making Grand Inga an export-driven project: the Congolese people will get nothing. The

electrification they so desperately require to light their homes and start small businesses, the power that could halt the desecration of the world's second large tropical rainforest, will never happen. There is no money in the budget for it, no time or resources set aside to build the vast network of connections that is needed. The two models, export versus domestic use, are not just mutually contradictory, they are in active opposition.

One of the key preparatory measures for Grand Inga is the privatisation of the hapless national electricity company Société Nationale d'Electricité (SNEL), whose revenue has plunged by 30% since October 2008 and which is owed \$500 million in back payments. In April 2009, DRC passed a law turning 20 state-owned entities, including SNEL, into profit-driven companies. By the end of the year, it will pass an electricity act giving legal, regulatory and fiscal ‘incentives’ for private investors to enter the energy sector.³⁴ Privatisation is partly intended to strongarm people into paying SNEL (or more precisely the foreign companies that will buy up SNEL) those dues: in a fantastically disingenuous observation even by its high standards, the World Bank says, “the DRC's GDP would increase by three percent if every customer were to pay their electric bill,” something they might be more able or inclined to do if their money wasn't heading speedily westwards in debt repayments to the World Bank.

The main point of privatisation, though, is what we already saw with PPP: to hand over huge swathes of African public assets to Western private entities, and to ensure that the private sector is as unencumbered as possible by social obligations (like providing poor people with electricity) and government regulations that might impede its capacity to make money. That is, after all, the essence of neo-liberalism.

Privatisation, in other words, is the other key indicator that ordinary people will get nothing from Grand Inga. When sudden privatisation of anything occurs, the results are disastrous for poor people. In 2000, water privatisation was trialled in KwaZulu-Natal: 100,000 people contracted cholera because they couldn't afford to pay and drank instead from sewage-filled rivers. The UNECA is deeply sceptical of power privatisation in Africa: “key issues that provided the impetus for reforms continue to prevail long after reforms have been implemented... Mali, Senegal [and] Cameroon indicate a significant degree of dissatisfaction in the private sector involvement... it is only countries where power sector reforms have carried out privatisation *in parallel or after* undertaking massive electrification of the population that have produced desirable outcomes.”³⁵

This last point is so obvious as to make it impossible for free marketeers to understand: if the money isn't spent building connections to ordinary people's homes before the power system becomes all about squeezing out the last drop of profit for multinationals, it sure as hell

32 “A feasibility study by the French utility Electricité de France and the African Development Bank has indicated that both the Grand Inga scheme and a plan to supply power from it to North Africa are viable.” MIGA, Grand Inga Project-Democratic Republic of Congo, May 1 2007. The WEC report mentions no fewer than three feasibility studies of the northern export route, the most recent paid for with a \$15 million loan from the AfDB. The documents politely neglect to mention the last stage of the process, taking the power from Egypt to Europe, but interviews confirm it.

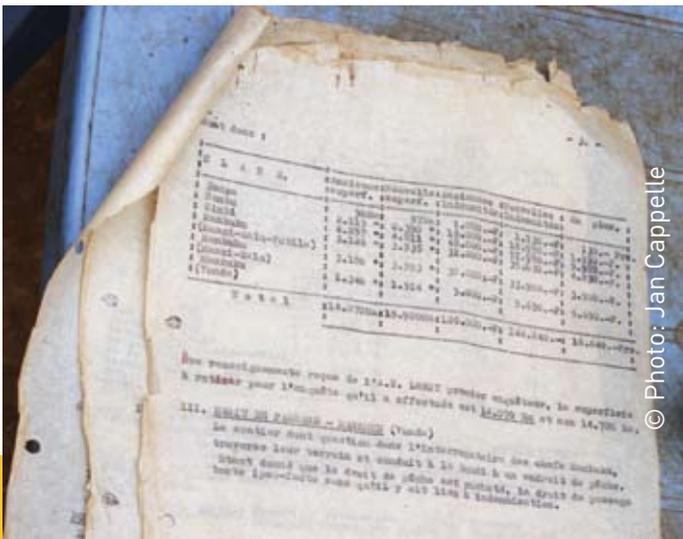
33 <http://www.greenpeace.org/international/campaigns/forests/africa>

34 African Energy Intelligence, “SNEL's Boss in the Hot Seat”, December 12 2008 and “SNEL's Financial Woes Worsen”, February 11 2009; Reuters, ‘DRC Power Sector Reforms’, May 21 2009

35 UNECA, Making Africa's Power Sector Sustainable, pp.99-100, emphasis added

isn't going to be spent afterwards. There is no way that rural Africans are going to be able to pay for power at the rate that European (assuming that the insane transport scheme actually works) or South African consumers can, let alone pay for the infrastructure required to connect them to the grid. If we want to see the real effect of the Inga dams on Congolese people, in fact, we don't have to travel very far at all.

“We’re Doing the Living Now— You Wait a While”



Simon Malanda jabs his finger at the power lines that score the horizon. “There is the current from Inga, going all the way to the mines in Katanga, and my village is 2km away and we have nothing. Is that normal?” He leafs through a thick pile of documents, many crumbling and yellowed with age or creased with constant examination. They are legal documents, claims and counterclaims and protests regarding the displacement of his community from the Inga site, dating back to 1958 when the Inga projects were originated by the Belgians. His failing eyesight means he can no longer read them properly.

‘Papa Simon’ is 76 years old and the legally recognised representative of the six clans who lived at Inga, having taken over the pile of documents (as if in some tragic Congolese version of *Bleak House*) from his uncle in 1974. At first the clans were sent out of the area, then two of them returned to the villages of Manzi and Avunda, near the dam site, after independence. No-one knows how many people make up the six clans—Simon knows only the number of families involved, and how much land they gave up for the dam. He himself claims to have surrendered 2000 hectares.

In return, Mr Malanda says they received nothing. “They are trying to say that nobody lived here, so there is no need to pay compensation,” he fulminates, referring to SNEL and the World Bank. “In 1958, the Belgians were prepared to pay compensation—why would they do that if

nobody was here?! How could people have said ‘Inga’ to the Western explorers if nobody was here?”³⁶ He waves a series of documents which appear to show that while compensation sums were agreed with the six clans, they were never paid. There is certainly enough here to mount an interesting legal challenge.

And were the villagers to be able to afford legal action, that is probably the only way they will ever see any benefit from the Inga dams. World Bank project documents claim, “the population who had the land use rights at the time of the construction of Inga 1 and Inga 2 have been adequately compensated,” and “there is no social legacy” from the original construction. The SNEL guide tells us with a straight face that the people moved away voluntarily because of a type of biting fly. Raymond Kitandala of the AfDB opines that it is not their problem: “We are only painting the house; we didn’t build it from scratch.”

If compensation was paid to these people, as the World Bank claims, there is very little evidence of it today. To fetch water, Mr Malanda and his wife have to trek several hundred metres through the baking empty hills to a trickling little pipe in a shady valley, after whose respite the steep climb back up the hill in the heat with the burden is doubly taxing. But he at least has a house of brick; it is only when we visit Camp Kinshasa, a second generation village of some 7–9,000 former construction workers, many displaced from the Inga site, and their children, that we see absolute deprivation.



The overwhelming impression of Camp Kinshasa is that it is bursting with youth. Chicks and tiny puppies scatter in the dirt as our truck pulls in. Mobs of children, the majority under ten, swarm us as we jump out; one wears a T-shirt that reads, “My Therapist Says It’s All Your Fault”. This mass of humanity is squeezed into wooden shacks of a few square metres, made of planks and old

³⁶ The foundation myth of Inga is that when Stanley’s men first reached the area and asked the local people what it was called, they responded with “Inga”—meaning “Hello”. In that it set the tone for an extended history of miscommunication, it’s an appropriate tale.



© Photo: Jan Cappelle

advertising hoardings: three or four families to a shack, each family of five to ten people. The camp has no water, no sanitation, no electricity, no school and no health facilities. None of its menfolk have jobs with SNEL at the dam; as the camp chief politely explains, they have stayed in expectation of future work—and because the land had been their home since before the turn of the last century.

Camp Kinshasa is an illegal settlement. It is also, compared to the majority of IFI-funded displacements of people, a very easy problem to solve. The bulk of those affected are in the same place; they have unusually ample documentation with regard to their claims; there aren't even all that many of them. But instead they are threatened. In April 2007, the local commissioner gave the people of Camp Kinshasa three months to leave the site. Thanks to the efforts of CEPECO, the Congolese NGO led by Pastor Jacques Bakulu that has done the most recent work on the Inga dams, the threat was defused. In July 2009, however, SNEL repeated the demand to leave. This time, the people of Camp Kinshasa say the authorities seem more serious: a questionnaire was handed out to all inhabitants, and the threat of violence if they do not comply was far clearer.

Simon Malanda stubs his finger angrily into his pile of documents as he repeats his demands for compensation, jobs, electrification, medical and water supply, maybe even a cultural centre for the village. "Everybody needs to live, but they say to us, "Wait a while—we're doing the living right now!" That wait, for his people, has lasted more than half a century. It shows no signs of ending.

A Bad Day for a Baptism

It has been a trying morning. We had spent it standing around numerous offices having our passports scrutinised, copied and recopied, and now the final impediment, a corpulent, personable Congolese army officer in a yellow shirt decorated with the symbolically broken chains of colonialism, is lecturing us on God. "I believe there is one God above us, and we need Him, we need a Saviour against the occultists, against the

spiritualists!" His fervour has made him quite forget his previous contention, that Thierry Henry is Mobutu's illegitimate son. After I politely tell him religion holds a low priority in my family, he offers to take me outside and baptise me on the spot. When I decline, citing a shortage of time and an excessive number of meetings, he tries to relieve us of \$50 for 'administrative expenses' and lets us go. We are finally on our way to Inga.

The Inga complex is in fact made up of four dams, two of which have already been built. Inga I was completed in 1972 with a theoretical capacity of 351MW, while Inga II, completed a decade later, has a (very) theoretical capacity of 1424MW. They are connected to the copper mines in Katanga via the 1800km long high-voltage, highly deteriorated Inga-Kolwezi transmission line. Right from the start, Inga I and II were expensive white elephants mainly used to ensure Mobutu's authority by giving him the capacity to shut down the power supply to restive Katanga at a moment's notice. One account claims that the two dams were responsible for 32.9% of the total Congolese debt of \$4.6 billion by 1981, which would give them a construction price tag of around \$1.5 billion.³⁷

It was not money well spent. Between them, the two dams are producing a mere 710MW, of which 420MW goes to Kinshasa, 210MW to the mines and on to South Africa, and the rest to local towns. Entering Inga I is



© Photo: Jan Cappelle

37 Olivier Zimmer, *La production d'électricité en Afrique : le cas des barrages d'Inga*, Memoire Présenté en Vue de l'Obtention du Master d'Ingénieur de Gestion, Solvay Business School, Université Libre de Bruxelles, 2006-7, p.30



© Photo: Jan Cappelle

like taking a heartbreaking trip back in time to the era when Africa was optimistic. Nothing seems to have been replaced since the initial construction. Grimy machine parts lie on the floor next to barrels cut in half and used for discarded peanut shells. The presence of a flat screen computer monitor jars discordantly in a control room that otherwise looks like the set of the Sixties film *Dr Strangelove*. The SNEL guide says a mere 38 people work at the site; only a handful are visible. He also claims that three of the six turbines are working, but shows us only one. Out of one of the massive pipes meant to funnel water to the turbines, grass and small trees are growing.

Most heartbreaking of all is what we visit first. On a rocky promontory with an astonishing view of the falls is the Inga showroom, built at the same time as Inga I and showing its age. Sitting in collapsing seats with springs breaking through the material, we are guided through the dams by the SNEL guide, who uses a broken piece of wood to point to the project diagrams—not on PowerPoint or a flip chart, but laminated to the wall. Peeling slowly to the floor is the same illustration of the export routes for Grand Inga we have seen in shinier form in the developers' handouts. The overwhelming feeling is one of poignancy.

While Inga II shows slightly more signs of life (not to mention an extraordinary interior wall hundreds of metres long made of multicoloured glass lozenges, creating the effect of an early Eighties computer graphic display), only four of its eight turbines are operational. Between them, the two dams are running at less than 40% capacity and there are shortfalls and blackouts even at the mines and in Kinshasa. And the extraordinary thing is that the development banks have been pouring money into the 'rehabilitation' of Inga.

The success, or lack of it, relative to the cost of that rehabilitation should give anyone planning to invest in Grand Inga pause for thought. Terri Hathaway of International Rivers calculates that the World Bank has put \$771.9 million into Inga rehabilitation, and tellingly, every investment had to be supplemented with multiple others. The initial \$166.6 million in 2002 for the Emergency Multisectoral Reconstruction and

Rehabilitation Project (EMRRP) to get Inga I and II up and running again had to be topped up in 2005 and 2007, and even that was nowhere near enough.

The Bank was forced to introduce the Regional and Domestic Power Markets Development Project (PMEDE) for further rehabilitation in 2006, at a cost of \$296.7 million, and to draw in the EIB, which chipped in €110 million in December 2008. Yet the surface hasn't even been scratched: the budget for PMEDE has now risen to \$550 million, and that doesn't include costly but essential removal of massive boulders that have accumulated in the reservoir and are blocking the waterways.³⁸

The case of the Inga-Kolwezi transmission line (whose rehab is known as SAPM APL 1) is even less promising. Commissioned in 1983, the line's capacity crashed in less than a decade from 560MW to 200MW. An initial World Bank rehabilitation loan of \$178.6 million in 2003 was doubled this year. As Hathaway notes, "The transmission line, costing nearly \$1 billion after a seven year delay and quadrupling from the original project cost, has the unfortunate distinction of being the single largest contributor to DRC's debt burden."³⁹ When we visit, the main activity on site is people tending cheerily to small vegetable patches.

The World Bank rehab plan is predicated on one thing: export markets. SAPM APL 1 stands for Southern Africa Power Market Adaptable Phase Loan 1—the idea is to send the electricity from the rehabilitated dams southwards to Zambia and Zimbabwe and Botswana, the energy flow that Mr Mogae and other African leaders have been clamouring for. Even if the people of the DRC don't get any electricity, the rationale goes, at least other Africans will. But the story of the last of the four Inga dams, Inga III, belies that assumption.

As an idea, Inga III actually makes considerable sense. It would involve the drilling of long tunnels in the side of the Inga I reservoir and channelling the water at an angle downhill into new turbines near the complex entrance, making better use of the existing hydro resources. As with all these projects, both the cost (\$8.5 billion, up from \$5.23 billion) and the alleged capacity (5000MW from 3500MW) of Inga III have gone up recently, and nobody is quite sure how it relates to Grand Inga; some have described it as a forerunner/test case, others (like the AfDB) seem to think it's a question of deciding between the two.

38 Terri Hathaway, DRC's Power Sector an Anti-Development Debt Trap, International Rivers Briefing, July 29 2009

39 Hathaway, *ibid*. The scale of the World Bank's underestimation of rehab costs shows just how little clue development banks have about what it will take to make Inga work. The Bank's own inspection team, the Independent Evaluation Group (IEG), concludes, "One reason for the inadequate attention to the condition of Inga was that the Bank thought the existing support for Inga reconstruction—\$9.35 million from EMRRP and \$3.3 million from SAPM APL 1—would be sufficient. The \$150 million currently envisioned for the Inga Rehabilitation Project suggests how far off the original calculations were." One reason IEG suggests for the failures was that "the skills mix of the project team may not have been optimal, as it was weighted towards finance and law rather than hydropower engineering." With development banks, 'twas (and is) ever thus. Independent Evaluation Group, Southern Africa Power Market Adaptable Phase Loan 1 (SAPM APL 1) desk study evaluation, 2006, pp.21-22

Certainly Inga III would be finished long before Grand Inga, and that immediacy is the source of appeal to the two parties that undertook to develop it. Initially, the DRC government signed up with Angola, Namibia, South Africa and Botswana to develop Inga III through the so-called Westcor (West Corridor) Group, owned by the national utilities of the five African nations. Around 3000 MW would have gone to South Africa, 1000 MW to the DRC and the remaining 1000 MW would have been shared by the other project shareholders.⁴⁰ Undertaken as an initiative of the New Partnership for Africa's Development (NEPAD), an economic development programme of the African Union, Inga III might have been a project in the interests of African if not Congolese citizens.

Unfortunately, Westcor were not the only interested party. In February 2006, BHP Billiton, the world's largest mining company, signed a Memorandum of Understanding with the DRC government to develop Inga III alongside a \$2.5 billion aluminium smelter. The DRC government juggled the two alternative projects for a while before the inevitable happened: it decided to drop the other African nations and go it alone with BHP. It was an unpleasant baptism in the cold waters of development politics for Westcor.

The results are unlikely to be good news for anyone but the Congolese elite who undoubtedly had their own personal reasons for approving the BHP deal. BHP has a world class track record of environmental disasters, including Ok Tedi in Papua New Guinea and Illawarra and Yeelirie in its native Australia. Hathaway notes that, as with the BTC oil pipeline, the contract for BHP's Mozal aluminium smelter in Mozambique "reportedly includes a 50 year stabilisation clause guaranteeing BHP Billiton unchanged profit margins, and low royalty benefits and taxes for the state. Aluminium smelters provide few jobs relative to their intensive energy consumption... The smelter's power consumption is between two and three times what the rest of Mozambique consumes."⁴¹

Attack of the Vultures

So no domestic power for the Congolese, only power for Europe and Western mega-corporations, and enormous debts to acquire it. No benefits or compensation for local people, only the diminishment of their chances of gaining electricity and opportunities for growth. But surely we can at least say that the Inga dams will bring in desperately needed foreign currency? That once the turbines are up and pumping, the money will start to pour in?

In 1988, a Yugoslavian (now Bosnian) company, Energoinvest—the fact that we are talking about countries that no longer exist shows just how insidious this process we are about to describe is—constructed

a small dam called Mobayi Mbongo to serve the city of Goma in eastern DRC. The DRC government neglected to pay the last \$18 million tranche for the dam. And the matter might have remained a footnote in history, had the debt not been bought for less than 10% of its value by the New York vulture fund FG Hemisphere.⁴²

Vulture funds are some of the most despicable actors in development capitalism, a title for which there is some serious competition. Vulture funds are highly secretive entities, often based in tax havens and owned by shadowy 'businessmen' or multinational corporations, formed to chase "distressed" (unpayable) debts in the world's poorest countries. In doing so, they disregard not only the legitimacy of the debt and the dire poverty of the states whose resources they seize, but also the efforts of those states to settle the debt, like going through the onerous and conditionality-filled HIPC process.

The Donegal episode in Zambia epitomises the operations of vulture funds: Donegal International bought a \$15 million Zambian debt to Romania for \$3.3 million, allegedly by bribing officials, sued Zambia (which had been trying to clear the debt itself for years by obtaining debt relief from other creditors) for a total of \$55 million, lied in court and were awarded \$15.5 million.⁴³

FG Hemisphere, owned by two former Morgan Stanley executives, has pursued the DRC government around the globe. It won a ruling in the US District of Columbia court allowing it to seize residences belonging to the DRC embassy, but the judgement was overturned. It sued in the High Court of Hong Kong, seeking Chinese funds the DRC will repay with mineral concessions, but the court said it had no jurisdiction. And in January 2009, FG Hemisphere won a judgement in Pretoria ceding it a total of \$104 million (the compound interest on the original \$18 million debt) in revenues from Congolese energy exports to South Africa. **In other words, the DRC's profits from Inga I and II for the next fifteen years have already been seized.** The DRC is taking on new debt to rehabilitate the dams in order to keep New York speculators in luxury.⁴⁴

Victor Nzuzi of CADTM, a Congolese NGO specialising in DRC debt, says the FG Hemisphere episode proves that even before Inga III or Grand Inga are built, they will not benefit the Congolese people. "Development project contracts here are badly negotiated—the signatories for the DRC don't even understand international law properly," he snorts. What the Hemisphere theft shows us is how dangerous unsustainable debt is in a world of predatory funds and global court judgements—and thus the impossibility of a country getting out from under a colossal debt burden by taking on even more unsupportable burdens. The debt noose, especially in an international legal regime so ethically challenged as to allow vulture funds, simply grows tighter and tighter.

40 Esmarie Swanepoel, 'Westcor to withdraw from Inga 3 hydropower project', Engineering News, <http://www.engineeringnews.co.za/article/westcor-to-withdraw-from-inga-3-hydropower-project-2009-07-31>, July 31 2009

41 Hathaway, DRC's Power Sector an Anti-Development Debt Trap, p.8

42 Jeune Afrique, 'FG Hemisphere, Un Cas d'École', 5-11 July 2009

43 <http://www.jubileedebtcampaign.org.uk/Case%20study%3A%20Zambia+2968.twl>

44 Africa Energy Intelligence, 'Creditor Snapping at SNEL's Heel', June 7 2006; 'Vulture Funds Target Chinese Cash', January 21 2009; 'SNEL's Profits to be Seized', January 28 2009

An Italian Carwash and a Raging Fever

The SNEL concession at Inga does not resemble the epicentre of a project that will light up the homes of 500 million Africans. It consists of a central office with a single female staffer (who greets us by sitting on her desk with her back to us, then arching her head over her shoulder) who seems to have no computer, a handful of outbuildings with rusty corrugated iron roofs, several dusty flower beds and a healthy population of grazing goats. On our way out of the concession, we pull over on a small bridge crossing a shallow river. It is one of the few places left in the region with trees, and we assume we are stopping for a short break in a pleasant shady spot. Instead, Pastor Jacques announces that this is the site where Grand Inga will be built.



© Photo: Jan Cappelle

Trying to imagine *fifty-two* turbines of 750MW each here (each turbine supposedly generating more than the current production of Inga I and II put together), the sheer madness of the scheme truly hits home. There is a single narrow road in and out of the site, and the only road construction we see during our trip is carried out by small groups of local men led by Chinese engineers. Pastor Jacques points to the only other sign of human activity, the crumbling struts of an old bridge, and cheerfully notes that it was the site of a garage set up by an enterprising Italian in the 1960's to wash passing people's cars.

It all seems like a tragic joke at Africa's expense. But it's not. A week after we leave, Robert Zoellick, President of the World Bank, comes to visit Inga. In addition to telling the DRC to make its mines more attractive to foreign investors and threatening to squeeze every last drop of odious debt out of the Congo if it gives its copper and coltan to China rather than the West ("The latest we've heard is that the Chinese firm is willing to adjust to have the guarantees only cover the infrastructure and not the mining operation, and if we're able to get that turned

around, then we can proceed with debt forgiveness"⁴⁵), Zoellick also plants his flag firmly in Grand Inga. Promising to "tap the under-utilized potential of energy sources such as Inga," Zoellick says, "We know there is a tremendous amount of work to do, but if we think if we take this step we can draw in more partners for the Democratic Republic of Congo and ultimately improve the life of the people, which is the real purpose."⁴⁶

Nothing in this story gives us reason to believe that is anything more than a simple lie. What we have here is not 'development', nor anything that will improve the lives of ordinary Congolese people. This is just a modern version of the nineteenth century craze that took Europeans to Darkest Africa, or miners to the American West or the frozen Yukon. This is Gold Fever. The difference is that it is being conducted on a far larger scale, not by men with pickaxes and shovels but by global institutions in politics and commerce, men with pinstripes and spreadsheets—and paid for by the exploited countries themselves.

There are only two basic reasons to propose a project as enormous, convoluted and expensive as Grand Inga. One is to make a splash, as China freely admits it intended to when it built Three Gorges instead of a series of smaller and less damaging dams on the Yangtze tributaries. The other is because you are mesmerised by the spectre of the Ultimate Jackpot, the El Dorado hidden in the jungles, the untapped markets waiting to be conquered—and blind to the practical impossibilities and the sufferings such fevered dreams will cause.

Gold Fever powers the insanity of Grand Inga. What else but a raging fever can make someone describe the Bas-Congo region, where people collect sticks for a living and sleep thirty to a room, as a potential "African Dubai"?⁴⁷ High energy prices and technical delusions and greed cause men far away to dust off the crazy old plans for wires across half the world, and begin to dream of how they too can get a slice of 'this magnificent African cake.'

Part Three: The New Energy Imperialism

*The conquest of the earth, which mostly means the taking it away from those who have a different complexion or slightly flatter noses than ourselves, is not a pretty thing when you look into it too much. What redeems it is the idea only. An idea at the back of it; not a sentimental pretence but an idea; and an unselfish belief in the idea—something you can set up, and bow down before, and offer a sacrifice to...*⁴⁸

The idea at the back of the modern conquest of the earth is development capitalism. As we have seen with Grand Inga, under the guise of promoting economic

45 Reuters, 'Progress Seen on China-DR Congo Deal: World Bank', August 11 2009

46 World Bank, 'World Bank pledges support for African post-conflict recovery', August 11 2009; Reuters, 'World Bank Urges Congo to Better Energy Governance', August 10 2009

47 'BHP to Study Building \$3bn Aluminium Smelter in DRC', Engineering News, October 22 2007

48 Conrad, Heart of Darkness, p.7

growth and poverty alleviation among the world's poorest, Western nations, individuals and corporations enrich themselves on those people's resources on a truly colossal scale—and feel good about themselves in so doing.

If development is not simply old colonialism in new bottles, it is because there are (a few) winners in poor countries as well as in the rich ones. Bracking emphasises, “the critical role of African elites in negotiating with and participating in the processes of power and ‘subjectification’ ensnaring modern African populations.”⁴⁹ Having an African or Asian leader (usually a former World Bank and/or Goldman Sachs executive) at the contract signing or the project launch helps to make development initiatives look less imperial, and allows Western interests to play up the idea of ‘partnership’ or ‘dialogue’.

In other words, development is a collaboration between the Oxbridge-educated, Wall Street-schooled elites of the North and the Oxbridge-educated, Wall Street-schooled elites of the South, to extract the resources of the ordinary people of the South using the resources of the ordinary people of the North. That collaboration needs, as Leopold's endeavours needed, a rubric of humanitarian justification to obscure its real effects, not only from us ordinary people but from the elites themselves, many of whom are decent people who do not and cannot believe what they do has that effect. Development is that rubric. And it does its job extremely well.

Grand Inga is the perfect lens to bring many of the key elements of development capitalism into focus—the absurdity and inapplicability to local needs of the great white elephants the IFIs build; the unfulfilled promises to local people, and the social and environmental misery the projects inflict; the sinecure of subsidies, contracts and markets for Western multinationals, a scheme often described as ‘corporate welfare’; and the passing of the responsibilities and costs for the projects onto the hapless ‘developing’ country, while keeping the profits closer to home (what Chomsky describes as the essence of modern capitalism: the socialisation of risk combined with the privatisation of profit).⁵⁰

But it would be a mistake to see Grand Inga as an isolated case, as an unusual or solo initiative. It fits perfectly into a much wider process that is almost completely unknown to the European public, but will exert a profound influence on our lives in many ways in the upcoming decades.

The European Union is terrified of running out of energy. European energy production is decreasing as our oil and gas supplies run out. European energy consumption is rising. That means an ever greater dependency on imported hydrocarbons—from 50% two years ago, the European Commission (EC) estimates by 2030 the EU will import 65% of its total energy, 84% of

its gas, 93% of its oil.⁵¹ Having watched Russia flex its muscles and twice cut off key gas supplies to Europe over political disputes with Georgia, and with global energy demand skyrocketing, the EU is starting to panic.

In essence, the European Union has two choices. One is to intervene in the market on the demand, not just the supply, side: to reduce levels of energy consumption in Europe, to discourage car usage and consumerist indulgence, to boost public transport and sustainable communities. That would mean crossing thirty years of economic ideology that says ‘interference’ in the market is a moral transgression. And it would probably mean sacrifices and cutbacks and belt tightening, for some a lot more than others, and austerity is not something on which politicians in democratic elections are especially keen.

The other choice is to find new sources of energy. In the last few years, IFIs have been sponsoring a series of unprecedentedly expensive megaprojects to bring energy to Europe. The \$4 billion Baku-Tbilisi-Ceyhan (BTC) pipeline not only brings oil from the Caspian region to Europe rather than China; it has also opened up a potential hydrocarbon superhighway from the Caucasus and Central Asia. If and when the vast Kashagan oil field (whose size is matched only by its \$100 billion price tag and the number of ongoing disasters in tapping it) comes on stream, BTC will be used to transport Kazakh oil to Europe. And the EC calls the “Southern Gas Corridor”, predicated on the \$8 billion Nabucco pipeline which would take Caspian and eventually Middle Eastern gas via Bulgaria and Romania to Central Europe, “one of the EU's highest energy security priorities.”⁵²

“Energy security” is also the rationale invoked for the \$12 billion Trans-Sahara gas pipeline, which purports to bring Nigerian gas under the Sahara through Niger and Algeria and on to Europe, and the “Mediterranean energy ring, linking Europe with the Southern Mediterranean through electricity and gas interconnections.” By far the most ambitious of the potential projects in this ‘ring’ is the \$400 billion Desertec scheme, which in theory would cover 6,500 square miles of the Sahara with solar power generators and transmit the electricity to Europe via a ‘super grid’ of high-voltage direct current cables.

To the extent that these projects are known about at all, they are thought of as separate entities, but that is a fundamental mistake. **They are an interconnected group with enormous geo-political, economic and environmental consequences, the result of a systemic initiative originating particularly with the European Commission.** In the last couple of years, the EC has released a stream of policy papers arguing that, “Europe can and must diminish its vulnerability to energy supply shocks” and to do so, must ensure “above all, security

49 Bracking, *Money and Power*, p.5

50 Noam Chomsky, *Year 501: The Conquest Continues*, (London; Verso), 1993

51 European Commission, *An Energy Policy for Europe*, January 10 2007, p.3

52 European Commission, *Second Strategic Energy Review: An EU Energy Security and Solidarity Action Plan*, November 13 2008, p.4

of supply.”⁵³ At home, that means an Internal Energy Market and support for carbon trading and unproven “technofixes” like Carbon Capture and Sequestration.⁵⁴ Abroad, that means “identifying infrastructure of major importance to [EU] energy security and then ensuring its construction,” using “more robust international legal frameworks” and “legally binding energy interdependence provisions.”⁵⁵

Grand Inga would fit perfectly within this framework. “The importance of Africa as an energy supplier has increased greatly in recent years, but its potential is still greater. The dialogue should include security of supply... sustainable exploitation of resources, transparency of energy markets and respect for good governance.... Africa offers a unique opportunity to install renewable energy technology in a competitive manner.”⁵⁶ Two frequently mentioned ways to tap that potential are the European Investment Bank and its private little sister, the European Bank for Reconstruction and Development.

The problem here is not just the mindboggling price tags of these projects, or even who pays those prices or the social and environmental damage they will undoubtedly cause. Collectively, these hundreds of billions’ worth of new energy pathways to Europe represent a profound commitment to a Eurocentric mode of living at the expense of the rest of the planet. To build them requires getting into bed with some of the nastiest regimes on earth—BTC has entrenched the unpleasant Azeri kleptocracy, led to widespread human rights abuses in all three of the countries it passes through, especially the Kurdish part of Turkey, and opened the door for future collaborations with Turkmenistan and Uzbekistan, making Europe dependent on the kind of regimes we supposedly deplore.

Once such installations are up and running, they will have to be protected, meaning a new level of European diplomatic, political and perhaps military involvement in volatile regions. This does not worry the EC; on the contrary, it is what it thinks EU foreign policy should be all about. “[E]nergy must become a central part of all EU external relations; it is crucial to geopolitical security, economic stability [and] social development.” What that really means is strong-arming countries, by any means necessary, into giving us their energy. *“Ongoing and future international agreements, whether bilateral or with several countries at a time, can be used more effectively to establish legally binding commitments. These can extend to the reciprocal liberalisation of trading conditions and investment in upstream and downstream access, and to*

*the grant of access to pipelines by countries situated along transit and transport chains.”*⁵⁷ Again, the BTC pipeline, with its combination of military drones and international legal contracts keeping the people of the transit countries at arm’s length, is a glimpse into the EC’s shiny energy future.

Grand Inga is fascinating because it epitomises the role of Africa in the new energy imperialism: as an “energy supplier”, shipping us the raw power we need the same way it has always shipped us the raw rubber and minerals and wood and once upon a time, not so long ago, people. It demonstrates just how few of the supposed benefits of development will trickle down to the people who ultimately pay the monetary and social price for them. It begs the question: *whose “energy security”, ours or theirs?*

But there is more to it than that. By entangling European interests with a complex new network of geopolitical commitments, the EC forcibly ties us to regimes we should not countenance and regions whose politics we do not understand and cannot predict. The examples of Iraq and Afghanistan show us what happened the last time we tried that approach. In that sense, short-term energy ‘security’ may mean long-term social, political and military insecurity.

Above all, what the new energy imperialism means is the evisceration of any serious efforts to combat climate change. To make an appreciable difference to the irrevocable rise in global temperatures, we need stringent and binding emissions reductions (somewhere in the range of 70-80% by 2050, according to reliable science, and perhaps more). That requires not only a massive investment in wind farms and other renewable sources of energy (as opposed to the ongoing continued distortion of the market against renewables, due to the scale of IFI subsidies to oil and gas), but an equally massive commitment to changing our lifestyles and reducing our energy consumption. If these new hydrocarbon highways are built, there is no chance at all of that happening. Continuing cheap energy will remove all incentives to change our ways.

Instead, we will look to cheat our way to far lower targets through de-industrialisation and by purchasing spurious carbon offsets from poor countries. All the hype and rhetoric of Copenhagen and other international agreements will be mere sound and fury. And in the process, we will continue to promote our high-consumption, ‘growth-oriented’ lifestyles around the globe, in Hollywood film glamour and IFI economic development policy alike, compounding the desire of the rest of the world to have what we have and heightening global energy demand—except we can only have what we have because they do not.

Allowing climate change to proceed apace under the rubric of “energy security”, in the full knowledge of what climate change implies not only for European interests (environmental refugees and mass migration, freak weather and economic disruption) but for the very future of life on earth, is a very strange and disturbing definition of security indeed.

53 European Commission, Second Strategic Energy Review: An EU Energy Security and Solidarity Action Plan, Follow-Up Memo, July 2009, p. 2

54 For the best analysis of why free-market solutions to the climate crisis like carbon trading (selling the right to pollute the atmosphere) and technically unproven gimmicks like CCS (essentially a giant scrubber to scrub carbon out of the air) not only fail but hugely exacerbate the climate problem, see the Corner House: <http://www.thecornerhouse.org.uk/subject/climate>

55 European Commission, Second Strategic Energy Review, Nov 08, pp.3-8

56 European Commission, An Energy Policy for Europe, pp.19-20

57 Ibid, pp.18-19

Part Four: A Happy (ish) Ending?

“*Quel est ton problème?*”

Sign in driver’s window, Democratic Republic of Congo

So we lied a little (too much time hanging round development ‘players’): there are recommendations at the end of the story. The easiest recommendation is the one NGOs usually make: don’t do it. And if Grand Inga is to retain its current format, that is the only one we can make. It is simply a fevered dream, an impracticable combination of the outdated and the futuristic. Since Grand Inga was first mooted, the World Commission on Dams (WCD), a independent panel of experts including both dam builders and critics, spent two years analysing the development effectiveness of more than 1,000 dams in 79 countries.

The WCD panel concluded that while “dams have made an important and significant contribution to human development,” in “too many cases an unacceptable and often unnecessary price has been paid to secure those benefits, especially in social and environmental terms, by people displaced, by communities downstream, by taxpayers and by the natural environment.” It concluded with a series of recommendations that today are best practice for dam construction, including the participation of local people in designing the project, the solving of “outstanding social and environmental issues from existing dams”, and “entitlements to affected people to improve their livelihoods and ensure that they receive the priority share of project benefits”, backed by “legally enforceable agreements.”⁵⁸ That is profoundly unlikely in Grand Inga as it is currently designed.

But then it is likely that Grand Inga as it is currently designed will never happen. Forget the moral, social, environmental and geo-political aspects of the project (as development ‘players’ have been known to): there are too many technical problems. Even Inga III, a far less ambitious and complex project and with a defined sponsor and market for its power, has ground to a halt: the river has too much silt in it, no-one can agree on whether to build new tunnels or a new dam, and BHP is locked in separate rows with SNEL and the DRC government (which has put several SNEL executives in jail on corruption charges relating to the Inga dams) over the future price of electricity.⁵⁹

So it would be easy, having pointed out the history of Congo colonialism then and now, the deceptions of development, and the irrevocable problems of the project, to end this story here. But Festus Mogae had a point: Africa, and more to the point ordinary African people, desperately needs energy. The barren hills of Bas-Congo prove that more eloquently than any report. The Congo river is a tremendous potential source of hydropower in

an energy-poor country, and the rapacious energy grab being authored by the EC, the World Bank and the EIB clearly sees Inga as a fruitful possibility. So what is to be done?

If hydropower at Inga is to be developed, there should be several pre-conditions:

- **Compensate the affected people at Manzi, Avunda and Camp Kinshasa, properly and in full.** There aren’t many of them, they are easy to find, and as we delicately pointed out to the AfDB, the reputational damage in denying these people scraps in the middle of one of the world’s most expensive development projects would be far higher than the financial burden of giving them their due. On principle, development banks wanting to develop new projects must ensure that no-one remains disadvantaged by their predecessors.
- **Fundamentally redesign the project**—not as one colossal project, since such megaprojects simply never work, but as several smaller, less impactful, more sustainable projects. Re-orientate the projects—scrap the northern export line to Europe and concentrate on supplying Congolese businesses and consumers as well as those in other African nations. For development banks, that may well mean a lower rate of return, a greater need for investment in infrastructure and a longer wait before the projects become profitable. So be it. That, particularly in the case of the EIB which is backed by an EU member state guarantee, is the competitive advantage and *purpose* of development banks—they are supposed to invest in projects for which market capital is scarce, for the kind of reasons outlined above. This is what development banks are *for*.
- **Adhere to the recommendations of the World Commission on Dams:** ensure whatever is built is designed with the active participation and to the benefit of affected people, and with the needs of the ecosystem in mind, not parachuted in from a drawing board in London or Washington.

Those are basic. We would like to wrap up by suggesting something rather more innovative. If it is possible, via a ‘stabilisation clause’, to guarantee a regulatory and tax regime for a multinational corporation in a development project for several decades, why is it not possible to do the same for affected people? **Why could development banks not covenant specific benefits to local people into the project contracts?** These would in effect be ‘loss leaders’ that the promoters must fulfil in order to get their generous slice of development cake.

Moreover, new legal instruments also need to be developed to allow local communities and affected people to claim their rights from financial institutions backing infrastructure projects, especially from public financial institutions like the World Bank and the EIB. The history of large infrastructure projects is littered with examples of local communities left with the negative impacts of “development”, while companies, financial institutions and governments refuse to help them clean up the mess. Financial sponsors of projects must start to take direct

58 International Rivers, The World Commission on Dams Framework - a Brief Introduction, February 29 2008, <http://www.international-rivers.org/en/way-forward/world-commission-dams/world-commission-dams-framework-brief-introduction>

59 Africa Energy Intelligence, ‘Inga 3: BHP Stalled in its Tracks’, November 4 2009

legal responsibility if promised development benefits fail to materialise.

The nature of those covenanted benefits would depend on the nature of the project. In Inga, a hydroelectric project, we could suggest that the promoters:

- Connect X million households to the domestic electricity grid during construction, and guarantee continued provision at affordable rates.
- Ensure a certain percentage of revenues is earmarked for local and regional, as well as national, infrastructural use.
- Give local and national citizens both active involvement in the design and operation of the Inga dams and of infrastructure projects built using Inga revenues, and information on the volume and other uses of those revenues
- Guarantee electrical supplies at a subsidised rate to Congolese schools, hospitals and small businesses.

The enormous advantage of this approach is that it gets around the distracting onus on 'standards' which occupies most efforts to improve projects and focuses instead on the *outcomes* for real people. If sophisticated enough in its structure, this approach might also elude the trap of asking central government to ensure local people benefit, since this is not always a priority of central governments. It cuts out the many, many middlemen between the poor and 'development', because it rebalances the profoundly unfair development equation and asks IFIs and project contractors to spend real money before they are allowed to share in the big profits.

How the covenanting of project benefits to affected people would work legally and technically is something that needs a lot more research. But in terms of new legal structures, there are precedents in other fields, such as the developing concept of 'benefit sharing'. In the UNESCO Human Genome committee statement on benefit-sharing, for example, there is a commitment to guaranteeing a percentage of profits from biogenetic processes to the people from whom the material originally comes.⁶⁰ Another possibility is the charitable trust model, which like a private trust constrains the trustees to take decisions within parameters that clearly benefit the beneficiaries.

60 Donna Dickenson, 'Consent, commodification and benefit-sharing in genomic research', *Developing World Bioethics*, July 2004

If sections of the Congolese population were named as beneficiaries, such a trust might give them protection and benefits.⁶¹

The point is to challenge and change the existing development model of exploitation clothed by hypocrisy. Because if we do not, above and beyond all the political and environmental miseries it causes, we continue to allow it to do something very nasty to the fabric of our world. The brilliant German novelist W. G. Sebald suggests that when Conrad returned to Belgium after his time in the Congo, heartsick at what he had seen, he viewed Brussels as "a sepulchral monument erected over a hecatomb of black bodies." "And indeed," opines Sebald, "to this day one sees in Belgium a distinctive ugliness, dating from the time when the Congo colony was exploited without restraint."⁶²

We are perhaps far enough away from the imperialism of the nineteenth century, colonial imperialism, to be able to see that it did things twisted and unpleasant to its beneficiaries as well as to the colonies themselves. It is no accident that the very first words uttered by Conrad's heartsick narrator Marlow as he stares across the Thames at England are, "And this also has been one of the dark places of the earth." But we are far too close to its modern descendant, development imperialism, to see that it does to us exactly the same thing.

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61 David Winickoff, *New England Journal of Medicine* (2003)

62 Sebald, *The Rings of Saturn*, p.122

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