Early Warning System

DFC-2024-LOBITOATLANTIC

Lobito Atlantic Railway, S.A.

Quick Facts

Countries	Angola
Specific Location	Lobito Port, Luau
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Approved
Bank Risk Rating	B
Borrower	Lobito Atlantic Railway, S.A.
Sectors	Construction, Infrastructure, Mining, Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 553.00 million
Loan Amount (USD)	$ 553.00 million
Project Cost (USD)	$ 866.25 million

Project Description

As stated by the DFC, the project consists of the upgrade, rehabilitation, operation, and maintenance of a 1,289-kilometer brownfield railway line in Angola between the Lobito Port and Luau (“Lobito Corridor”), as well as a brownfield mineral port in Angola to facilitate Atlantic Ocean coast exports of copper and cobalt from the Democratic Republic of Congo as well as intra-Angola cargo transport.

Among the key financiers of the Lobito Corridor are the US Development Finance Corporation (DFC), Afreximbank, the Africa Finance Corporation (AFC), the African Development Bank (AfDB), the Development Bank of Southern Africa (DBSA), the US Trade and Development Agency (USTDA), USAID and the World Bank. Meanwhile, the United Nations Economic Commission for Africa (UNECA) is being introduced by the AFC to support infrastructure development within Special Economic Zones (SEZs) linked to the Corridor. (https://afripoli.org/a-game-changer-in-flux-recent-developments-and-risks-in-the-lobito-corridor)

Early Warning System Project Analysis

The increased demand for mining enabled by the Corridor may therefore serve to scale up the risk of human rights violations in DRC mines.

Furthermore, a report by the United Nations Development Programme (UNDP) (https://www.undp.org/sites/g/files/zskgke326/files/2024-10/lobito-corridor-policy-brief.up_.pdf) notes that the expansion of the Corridor will require significant land access, which presents several challenges. In many of the areas around the Corridor, land tenure systems combine private and customary ownership. In the case of the latter, some land is often held in informally documented communal systems where large parts of the population are dependent on small-scale agriculture to support themselves. Therefore, land acquisition may result in the relocation of residents, raising questions about compensation, consent and the protection of marginalised peoples.

Environmentally, railway operations and associated infrastructure are expected to generate air pollution, noise, wastewater, and greenhouse gas emissions, alongside risks of soil and water contamination from hazardous waste and maintenance activities, and biodiversity disturbance along the corridor (DFC Project Information Summary). At a broader scale, the corridor may contribute to deforestation and ecosystem degradation linked to expanded mining logistics (OECD background note). Socially, the project raises concerns about community health and safety risks near rail lines, labour and occupational hazards, and increased risks of gender-based violence linked to workforce influxes (DFC Project Information Summary). There are also risks of land acquisition and displacement, with reports indicating thousands of people may face eviction in areas such as Kolwezi, alongside concerns about inadequate compensation (African Development Bank stakeholder engagement plan; The Guardian reporting). More broadly, civil society has highlighted risks of unequal distribution of benefits, weak community consultation, and governance gaps across the transboundary corridor (Le Monde analysis).

People Affected By This Project

Communities impacted by the Lobito Atlantic Railway project include residents living along the rail corridor in Angola and mining regions of southern DRC (especially Haut-Katanga and Lualaba), as well as urban and informal settlements near railway lines in cities like Kolwezi, where people face risks of eviction, land loss, and livelihood disruption (Global Witness). The project is closely tied to mining, so artisanal miners, their families, and nearby rural communities are also heavily affected, facing unsafe working conditions, child labour, toxic exposure to cobalt, and pollution that contaminates water, crops, and fish (Counter Balance). Weak legal protections—such as lack of customary land rights and limited consultation or FPIC—further expose small-scale farmers and rural communities to displacement, environmental harm, and loss of livelihoods.

Investment Description

- US International Development Finance Corporation (DFC)

Private Actors Description

As stated on Trafigura's website, a 30-year concession has been awarded to the Lobito Atlantic Railway consortium joint-venture comprising Trafigura, a market leader in the global commodities industry, Mota-Engil, an international construction and infrastructure management company and Vecturis SA, an independent rail operator.

Since January 2024, the Lobito Atlantic Railway has been operating, managing and maintaining the railway line that extends across Angola for almost 1,300km between the Port of Lobito to Luau in eastern Angola and connects with the rail network run by the National Railway Society of the Congo (SNCC) in the Democratic Republic of the Congo to Kolwezi, the heart of the Copperbelt.
LAR also operates the Porto do Lobito Mineral Terminal, which connects to the railway line, providing faster and more efficient service in one of the most uncongested ports on the Atlantic coast.

LAR currently employs more than 650 employees, divided between the company's management and railway and port operations. These workers have mostly transferred from CFB - Caminhos de Ferro de Benguela and the Porto of Lobito, and are expected to grow significantly in number due to the increase in the concessionaire's activity.
The LAR consortium is the concessionaire for the operation, management and maintenance of the Lobito Railway Corridor, which connects Angola to the Democratic Republic of Congo. A separate pre-feasibility study, supported by the US and EU, is underway for the extension of the Lobito railway line from northern Zambia to eastern Angola.

As stated on the companies' websites:

> Vecturis is a private railway operator providing transport services worldwide for passengers, mining products and commercial cargo.
> Trafigura is one of the world's largest suppliers of commodities, founded in 1993.

As stated by Bloomberg, Mota - Engil, SGPS, S.A. offers construction and building services in Portugal. The Company builds roads and highways, railroads, bridges and dams as well as buildings, among other things. Mota has an operation in environmental and services related industries in Portugal and in foreign countries such as waste collection and treatment.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
MOTA-ENGIL	Client	Infrastructure	contracts with	Vecturis SA	Client	Transport
Trafigura Group Pte Ltd	Client	Infrastructure	contracts with	MOTA-ENGIL	Client	Infrastructure
Trafigura Group Pte Ltd	Client	Infrastructure	contracts with	Vecturis SA	Client	Transport

Contact Information

Contact information not provided at the time of disclosure

ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: https://www.dfc.gov/foia

ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: https://www.dfc.gov/who-we-are/office-accountability

Bank Documents

- Project Disclosure [Original Source]

Government Documents

- OECD Briefer on Lobito Corridor [Original Source]
- Potential Impact of the Lobito Corridor and Support totheRegionalTransformationAgenda(UNPolicyBrief)

Campaign Documents

- Global Witness: Thousands in DRC could face eviction from Lobito Corridor railway
- Lobito Corridor: Neo-colonial plunder of Africa
- The Lobito Corridor: Europe’s neocolonial vision for plundering Africa

Media

- Guardian: US and EU critical minerals project could displace thousands in DRC
- Lobito Atlantic Railway Reinforces Transport Capacity with New Wagons
- ‘Modern plunderers’: Lobito Corridor plans bring fear, hesitation in DRC

Other Related Projects

- AFDB-P-Z1-KF0-027 Multinational - Lobito Corridor Trade Facilitation Project
- DFC-2024-PENSANARAREEA Pensana Rare Earth TA