The Mixed Blessings of the Lesotho Highlands Water Project

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The Lesotho Highlands Water Project (LHWP) is the largest infrastructure project under construction in southern Africa. The primary objectives of the project are to transfer water to Gauteng Province, an urbanizing region in the industrial heartland of South Africa, and to provide hydropower to Lesotho. The project diverts the water of the Orange–Senque River north of the Vaal River system through a series of 5 dams and 200 km of tunnels. The original plans call for construction of the entire project to be finished by 2020. This will result in the production of 182 MW of hydropower for Lesotho, with 70 m³ per second exported to South Africa. The royalties to be paid by South Africa are estimated at more than 400 million Maluti (US$44 million) annually. In 1995 the Katse Dam (height: 185 m; total storage capacity: 1950 million m³) was completed, and a second dam, the Mohale Dam, is under construction. Some 20,000 people are affected by social and environmental problems caused by the impacts of the Katse Dam (Figures 1 and 2).

The project is jointly managed by Lesotho and South Africa. The Lesotho Highlands Development Authority (LHDA) is in charge of project implementation inside the Kingdom of Lesotho, whereas the Trans-Caledon Tunnel Authority has a similar responsibility in South Africa. The project is expected to cost US$8 billion and is being financed by the World Bank, the Development Bank of South Africa, the African Development Bank, the European Development Fund, various credit agencies, and European commercial banks.

Social dimensions

Today, with the LHWP in the second stage of constructing the second of the largest planned dams at Mohale village, local perceptions vary enormously. Makatiso Selebeli, who lives along the river near Mapelelang village, was not directly affected, but some of the houses in her compound had to be reinforced after the filling of the Katse Dam triggered earth tremors. Some houses cracked and others collapsed, forcing the water project authority to make repairs and move some people to more secure places. Mrs Selebeli fears the dam and believes that the tremors will return. “Some say a giant snake that used to live in the river is now angry because too much water is being collected at the same place,” she says. Nevertheless, the villagers are slowly getting used to the dam, even though most never go near the water. “People have died, our cattle and many other animals have been swallowed by that dam, it is not safe to go near,” she says with emphasis.

On a more positive note, much has changed for the better since the project began. The villagers have now organized themselves into small agricultural groups and produce cash crops. Good roads have greatly helped in bringing vegetables and other crops to market. The village group has now been together for more than 3 years. With the help of the Rural Empow-
ment Development Program, some of the group’s members have recently received training in marketing, allowing them to compete in the town markets.

Things are altogether different in other highland communities. Malehana Motanyane (70 years old) has lived more than half her life in the village valley, which is now the Katse Dam. She still remembers the old days when everything was plentiful—firewood, fertile river banks, cropland, good pastures, and peace of mind. “Today it is different, we are poorer than before,” she says. Her story is a common one, especially among those whose houses had to be relocated. One of her complaints is that many promises were made by the project authority but never met. For instance, the new houses were equipped with small fireplaces or stoves, which she claims many villagers cannot use without proper firewood or coal because water has engulfed the firewood as well as the land. The infrastructure for water supply also has not been installed. Her plight goes beyond material necessities, extending to what she calls lost family ties. Nowadays, she can only see her children once in a while. She cannot attend the funerals of relatives and friends because of the water. “It means walking all the way to the bridges and that is a long way,” she explains (Figure 3).

Some people believe that the project created dependency, especially among communities where people were either relocated or lost their agricultural land. “The approach was bad from the start, but we have learned our lessons, with the project now trying as hard as possible to use the best implementation methods,” explains Mahlape Mothepu, Deputy General Manager of the LHDA, Environment and Social Services. She explains that community participation was not sought in decision making in the past, especially in areas that affected the communities directly, such as compensation, development programs, and social services. “We had to deal with initial perceptions, even before we could address the social and physical needs of the highland communities,” says Mothepu, who acknowledged that since LHDA started working directly with communities and having nongovernmental organizations (NGOs) monitor the project, things have become better. “In general, life has changed, living standards have gone up, the highland people now have access to high-quality education, health facilities, clean water, and good roads,” she adds.

Mothepu is also aware that developing the affected communities in isolation from other communities could be disastrous. The current recession and a high national unemployment rate (estimated at over 40%) make it even more difficult for some of the rural development programs to take off. “If you go up there, you see new houses built halfway and abandoned because there is no more steady income in the family. Income-generating projects, such as brick making and others, have also come to a standstill,” she explains, adding that some of the projects were initially financed through the rural initiative scheme.

However, Mothepu believes a lot has been gained from the project, apart from
the physical and financial benefits. “Look, we now have Basotho who have learned specialized skills and gained knowledge, not only in engineering but also in human resources management. We never had those specialized skills in the past,” she says with pride.

**Macro- and microlevel economic impacts**

Jane Molapo, an economist at LHDA, agrees with Mothepe, adding that since the project has been in full swing, a steady and growing middle class has been evident in Lesotho: “The project benefits are enormous, including both macro- and microeconomic impacts.” Molapo says that the project came at the right time to help save the country from a much more severe recession: when construction of the Katse Dam was at its peak, some 7000–8000 people were employed, which had a multiplier effect on family income.

“The project had a positive impact on all sectors of the economy,” Molapo underlines, mentioning that apart from increased customs and other tariffs revenues, the construction sector did better, tourism picked up, and there were also indirect benefits from contributions made by the Lesotho Community Development Fund, formerly known as the Lesotho Highlands Revenue Fund. The Fund consists of a share of the water royalties each year, which is allocated by the government for community development projects. These include, among others, the building of small dams for irrigation, road building, soil conservation, and piped water for village supply. The Fund became unpopular as a result of misuse and mismanagement, and the government revised its structure. It now seeks greater participation directly from communities, whereas in the past, most projects were simply imposed on the community.

The LHDA economist believes that more benefits can be reaped from the project because it “has so much to offer the country. What is needed is proper planning, good implementation, good monitoring and evaluation, as well as understanding of the needs of the affected communities.” She suggests greater exploration of tourism, water sports, and fish harvesting. Programs now being developed for highland communities are concerned with changing attitudes and a positive focus on how these communities could further improve their lives.

NGO networking has brought more campaigns into the project area. For instance, in the second phase of the project—primarily concerned with the construction of the Mohale Dam—the focus has expanded from mere monitoring of environmental impacts and human rights issues to community building and use of available resources for sustainability.

Communities near the project areas also are being trained and encouraged to come up with income-generating projects. People in highland communities have now begun to see things in terms of cost, as opposed to the past, when land and a large herd of livestock ensured a good living. On the negative side, the LHWP has also brought about new lifestyles and fast-track attitudes about getting rich. Corrup-

“The project benefits are enormous, including both macro- and microeconomic impacts.”

*(Jane Molapo, economist at LHDA)*
Assessment by a foreign NGO program director

“I believe that the most interesting aspect of the project consists of the development processes triggered by its immense artificial water system. Positive points in this respect include:

• The considerable learning experience that benefits local professionals and will also be available to other organizations and projects. In particular, a new culture of partnership has been fostered between the government, the private sector, and the communities.
• Remarkable economic diversity (agriculture, tourism, fishing, forestry) has developed. This could not have happened as quickly with conventional small-scale projects.
• Lesotho has become a producer of electricity and receives substantial revenues from the sale of water; this in turn provides new institutional and economic impulses.
• Thanks to careful observation (NGOs), strict conditions (World Bank), and work in close partnership with South Africa, Lesotho has built institutional capacity in terms of environmental and social accountability and in relation to other international standards.

On the other hand, the following negative points must also be noted:

• The many failures and shortcomings of project managers.
• The suffering endured by many people, resulting from the shock of social change brought about by the project.
• The virtual impossibility of assessing the ecological impacts of the project (Figure 4).

I have no doubt that the 2 large dams constructed so far will have a positive impact on overall development in Lesotho. It appears that the advantages of the project far outweigh its disadvantages. Yet, it would be premature to draw final conclusions; this will depend greatly on how people and institutions continue to develop the processes begun so far.”

Assessment by the Transformation Resource Centre, a local NGO

“The Transformation Resource Centre (TRC) supports communities affected by the second dam, currently under construction. TRC does not share the positive assessment of the official LHDA. Among its reasons:

• People depend heavily on annual compensation from LHDA, which often comes too late and only covers debts. Before their resettlement, people were able to grow crops to meet their basic needs. LHDA is not doing enough to support local people in finding alternative sources of income.
• Education has not improved; on the contrary, class size has increased. The fees for new schools in the lowlands are higher than they were before, and many families cannot afford them.
• Water supply is lacking or insufficient in several communities where TRC is active.”

Source of both assessments: Helvetas, Partnerschaft 169, August 2002.