

On The Wrong Side of Development



Lessons Learned from the Lesotho Highlands Water Project

Edited by

Mabusetsa Lenka Thamae and

Lori Pottinger

On the Wrong Side of Development

Lessons Learned from the Lesotho Highlands Water Project

Edited by
**Mabusetsa Lenka Thamae and
Lori Pottinger**

with contributions from:
Mabusetsa Lenka Thamae
Korinna Horta and Lori Pottinger
Thayer Scudder
Tisha Greyling
Liane Greef
Ryan Hoover
Sets'abi Sets'abi and Vusi Mashinini

Published by
Transformation Resource Centre

First published 2006

ISBN: 99911-32-01-5

©Transformation Resource Centre
PO Box 1388, Maseru 100, Lesotho
www.trc.org.ls

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or in any information storage or retrieval system, without the written permission of the Transformation Resource Centre.

Cover design: Peter Lahann
Title photo: Peter Lahann

Printed and bound by: Moriija Printing Works, Lesotho

Contents:

Note on the Contributors.....	iii
Acknowledgments:	iv
Summary.....	1
Background	5
About Transformation Resource Centre (TRC).....	8
SECTION 1: LESSONS LEARNED	9
1. A Decade of Advocacy for Dam-Affected Communities (Mabusetsa Lenka Thamae).....	9
1.1. Promises Made, Promises Broken	9
1.2. What Happens When Communities Get Disturbed? ...	12
2. The Role of the World Bank: The Perspective of International NGOs (Korinna Horta and Lori Pottinger)	23
3. Assessing the Impacts of the LHWP on Resettled Households and other Affected People 1986 – 2005 (Thayer Scudder)	39
3.1. The Global Experience with Dam-induced Resettlement	41
3.2. Involvement of LHWP Project Agencies.....	43
3.3. Downstream Impacts Below the Matsoko Weir and the Katse and Mohale Dams	68
SECTION 2: BACKGROUND ON PUBLIC PARTICIPATION	88
4. Participation of Different Publics (Mabusetsa Lenka Thamae).....	88
5. TRC’s Monitoring Role: Why We do what We do (Mabusetsa Lenka Thamae).....	92

6. Public Participation in Environmental Decision-Making (Tisha Greyling)	97
7. World Commission on Dams: A People-Centred Approach (Liane Greeff)	103
7.1. Declaration of the Affected Communities	105
8. Reviewing the Lesotho Highlands Water Project Against the Recommendations of the World Commission on Dams (Ryan Hoover)	110
9. The Livelihood Patterns Of The People Relocated And Resettled From The Mohale Dam Area: Data Analysis And Interpretation (Sets'abi Sets'abi and Vusi Mashinini)	115

Note on the Contributors

Mabusetsa Lenka Thamae is an MA Student of international relations at the University of Free State, and a lobbying and advocacy worker at the Transformation Resource Centre in Maseru, Lesotho.

Lori Pottinger, heads the Africa program for International Rivers Network in Berkeley, California, USA

Korina Horta, is a Senior Economist for Environmental Defense in Washington, DC, USA

Thayer Scudder, is a Sociologist and a former member of the LHWP Panel of Experts. Scudder wishes to acknowledge the following people for their valuable comments on an initial draft of this chapter. Comments were received from John Gay, Robert Hitchcock, Jonathan Jenness, Andrew Macoun, Lori Pottinger, and Stephen Turner.

Tisha Greyling, is a specialist in the Public Participation on the Environmental Impact Assessment in Midrand, South Africa.

Liane Greeff, heads the Water Justice program for Environmental Monitoring Group in South Africa. She was a member of the South African Multi-Stakeholder Initiative on the World Commission on Dams.

Ryan Hoover, lived for three years in the Lesotho Highlands working with dam-affected communities for the Mennonite Central Committee. He is the author of "Pipe Dreams: The World Bank's Failed Efforts to Restore Lives and Livelihoods of Dam-Affected People in Lesotho" (IRN, 2001, available at <http://www.irn.org/programs/lesotho/>).

Sets'abi Sets'abi and Professor Vusi Mashinini, teach Geography and Environmental Sciences at the National University of Lesotho.

Acknowledgments:

TRC wishes to thank the following people for their scholarly contribution to this project:

Lori Pottinger and Thayer Scudder, for editing suggestions on the booklet. A singular appreciation is extended to our partners and allies at the Global Greengrants Fund in the US for contributing generously to the production of this booklet. It would not have been possible without their valuable financial assistance.

Greatest thanks to the TRC Team for giving their time to support this work. We hope it will be beneficial to communities that we have opted to help and to serve, and other communities that could be affected by future dams.

SUMMARY

This booklet describes the "lessons learned" by a wide variety of actors on the lessons learned from monitoring the impacts of the Lesotho Highlands Water Project, the largest water project currently being developed in Africa. It is not meant to serve as a blueprint, but as a manual that is intended to inform financial institutions, project authorities, developers, environmental consultants, and governments involved in large development projects how to ensure their projects are human-centred; and that they benefit communities directly affected by such large projects. It describes the pressing need for governments, project funders, engineers, social and environmental scientists to plan together to put the concerns of project-affected communities at the center of development, so that projects not only result in full restoration of the livelihoods of the affected communities, but that these people are also made direct beneficiaries of development projects in their midst.

The booklet is also intended to help communities in particular to be aware of their rights, to learn how to gain access to resources and to shape their own future.

The Lesotho Highlands Water Project has won many international awards for its engineering, but this massive project has also impoverished many rural communities in the Lesotho Highlands. It is hoped that future projects, not only in Lesotho, will learn from the past mistakes of this huge endeavor, and help get communities benefit from real development oriented toward alleviating poverty.

The following summarizes the main lessons learned from the authors of this booklet.

Lessons learned from TRC's direct experience with dam-affected communities:

1. Communities start to be impacted the moment they **hear** that they are going to be affected by a large dam or project.

- Project authorities should begin the process of helping affected communities well before construction begins.
2. Monetary compensation is not enough to restore rural communities' livelihoods; land must accompany monetary compensation.
 3. Communities should be involved in the design of compensation packages.
 4. There must be fair and uniform compensation packages.
 5. Affected people must be involved at every step of the way; they should be part of all decision-making processes as well as to feel ownership in the process.
 6. Communities must be provided with an opportunity to inspect the resettlement sites **before** the actual resettlement, and be allowed to refuse to move to a particular place if this does not happen. Communities must also be able to make and choose their own house plans.
 7. Resettlement should only take place after all necessities are in place: water, toilets, gardens, electricity, houses, cemeteries, grazing lands, etc.
 8. Resettlement should be conducted according to habits/practices and traditions of the local people, while still respecting individual's choice.
 9. All communities affected directly or indirectly by development works must be compensated equally without discrimination. Sharecroppers and the landless must be compensated as well; they are citizens of our communities, and they share in their resources and in the negative impacts when forced to move for a dam or other large project.
 10. Communities should get all compensation and resettlement promised them **before** resettlement happens.
 11. Communities should have a right to development as part of their sacrifice to the project. Communities must get a direct benefit from the dams that are being built; they must get water and energy resources. A mutually agreed-upon percentage of a project's royalties should go to the development of the affected areas.

12. Communities have a right to good health. Any changes brought about by the project in the morphology and ecology of the affected rivers, and environmental changes to places around the dams/rivers that lead to health impacts, must be addressed, and those who become sick as a result of the changes must be treated at health centers. This must be a right.
13. The overall goal of improving the standard of living of affected people is hard to accomplish because of the difficulties in successfully resettling entire communities. Therefore, it must be a right for their children to be educated by the dam authorities. The schools in affected communities must be to the national standard, fully staffed, and maintained.
14. Pastures of the host communities must be assessed as to whether they have capacity to carry a host of animals from the resettled communities. In the absence of sustainable grazing lands, fodder must be provided for 50 years.
15. Host communities should also claim development works from the dam authorities.
16. Trainings offered by the developer or authorities in charge should help communities to cope with the stressful experiences; these trainings must have the capacity to restore the lost livelihood. Handouts or reliance on compensation money alone should be highly discouraged.

Lessons learned from international observers:

1. The World Bank's resettlement policies, along with this project Treaty's emphasis on "maintaining" living standards rather than improving them, are a major cause for this project's unsatisfactory resettlement process. It is essential for resettlement policies to stress improvement as opposed to restoration of living standards and for project authorities to have the political will and the capacity adequately to plan, fund and especially implement and monitor those plans.
2. The range of problems on the complex project raise legitimate questions on implementation issues associated with large dams in small countries. A measure of institutional capacity must be in place before a project of this magnitude is launched.
3. The scale of a project must match not only local capacity, but should also be scaled to meet local needs.
4. Affected communities must be allowed to participate as equal partners in the process. This means that communities become "shareholders" of dam projects, resulting in benefits accruing directly to communities through such mechanisms as trust funds.
5. Communities, including end-user communities, must be involved in the decision-making process before the decision to build has been made.
6. A process is established to facilitate negotiated agreements on key aspects of projects, including compensation, resettlement and benefit sharing.
7. In order to ensure that projects are implemented properly and promises are not broken, Government, project authorities and other project developers must take responsibility and enter into binding and enforceable contracts for compensation and resettlement programs. These contracts must be properly negotiated and agreed upon with affected communities.

8. Corruption on large infrastructure projects is a serious problem that directly affects project benefits, especially for project-affected people. Corruption is a two-way street, and companies that bribe must be brought to justice as well as project officials who have accepted bribes.

The booklet also includes voices of directly affected people, whose plight has inspired us to do this work in the hopes that their suffering on behalf of a development project has not been in vain.

BACKGROUND

The Lesotho Highlands Water Project (LHWP) is a huge multi-billion dollar project designed to divert water from Lesotho's largest river, Senqu (Orange) to South Africa through a series of dams and tunnels blasted through the mountains. The project as built to date (Phase I A and B completed with two of five planned dams operational) and supported by the World Bank. The project's Treaty was signed by the Lesotho and South African governments in 1986.



The 185-metre-high Katse Dam in the Lesotho Highlands.

In Phase 1A (inaugurated in 1998), 185-metre-high Katse Dam was erected. About 27 000 people in the area were affected by the construction. In March 2004, Mohale Dam (Phase 1B of the project) was inaugurated by King Letsie III and the South African President Thabo Mbeki. In this phase, 325 households were forced to move to make way for the dam.



King Letsie III and President Thabo Mbeki opening the Mohale Dam.

The project was implemented by the Lesotho Highlands Development Authority (LHDA). LHDA is charged by law with the responsibility of implementing the Lesotho Highlands Water Project

The project Treaty reads:

The LHDA shall effect all measures to ensure that members of local communities [in the Kingdom of Lesotho,] who will be affected by flooding, construction works, or other similar project-related works, will be enabled to maintain a standard of living not inferior to that obtaining at the time of first disturbance; provided that such

Authority shall effect compensation for any loss to such member as a result of such project related causes, not adequately met by such measures. (Article 7, para. 18)

It further states:

The authority shall ensure that as far as reasonably possible, the standard of living and the income of persons displaced by the construction of an approved scheme shall not be reduced from the standard of living and the income existing prior to the displacement of such persons. (Section 44)

ABOUT TRANSFORMATION RESOURCE CENTRE (TRC)

Transformation Resource Centre is an ecumenical non-governmental organization committed to working for justice, peace, democracy and good governance, research, human rights and participatory development. The Centre was founded in 1979 during which time its vision was to establish an ecumenical resource centre to service the marginalized people in Lesotho and South Africa through the gospel. It was meant to empower people with skills and information to build and to transform their communities and society. TRC today runs four projects: the LHWP Monitoring Project; a Democracy Project; Information and Communication Project, and the Library and Resource Centre.

TRC's Lesotho Highlands Water Project (LHWP) monitors social and environmental impacts of the Lesotho Highlands Water Project. TRC monitors this great project through the laws that establish it. TRC monitors justice issues. TRC got involved in LHWP activities when it became clear that Phase 1A resettlement was not being properly handled by the LHDA. Although the Highlands Church Action Group was operating in the Katse area, it was apparent that another NGO was needed to help, basically at the Mohale catchment. TRC became involved, with advocacy and lobbying to help communities to defend their rights and to be empowered to take up their own issues.

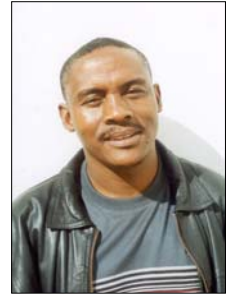
The objective of TRC's LHWP project is to raise the awareness of people affected by the Highlands Water Project on their rights vis-a-vis the project and to empower them to lobby and advocate for these rights by themselves. TRC monitors the implementation of the project by the Lesotho Highlands Development Authority (LHDA), as stated in the treaty and other agreements. The monitoring extends also to compensation, resettlement and development issues.

SECTION 1: LESSONS LEARNED

1. A Decade of Advocacy for Dam-Affected Communities

Mabusetsa Lenka Thamae

This section describes the experiences of the TRC field workers in their monitoring and advocating role. The subject will be divided into two areas: *Promises Made, Promises Broken*, and *What Happens When Communities Get Disturbed*.



Mabusetsa Lenka
Thamae

1.1. Promises Made, Promises Broken

When authorities first came to the communities about the prospects of building dams in Lesotho, the LHDA, the principal chiefs and all those who were responsible made a number of promises. Communities were told that they would have an acceptable standard of living. They were told that those who sharecropped would be compensated as well because their life was inextricably tied to that of the larger community. The Matala community, which chose to resettle in Maseru, was promised that communal compensation would be awarded to individual households and that they would have graves. The major reason that prompted this community to move closer to Maseru was that they would enjoy the said promises. A promise was made that communities would have electricity, clinics and access roads where they chose to resettle.

Communities affected by the LHWP now believe that their standard of living is lower than before resettlement. According to them, their life before resettlement was better than their life after resettlement. They say they were getting free access to clean running water; they were getting a variety of fresh produce all year round – they produced pumpkins, peas, beans, potatoes and all sorts of vegetables. After resettlement they are no longer getting these nutritional crops.

They say they had large fields from which they produced enough to share with those who did not have fields. They were able to send their children to school with produce from the fields, but with compensation from LHDA they are no longer able to fulfill their social obligations. Compensation from LHDA has not restored community livelihoods; LHDA has failed dismally to help communities to get into income generating projects that would carry them beyond short-term compensation programs. The resettled communities have complained bitterly about the delay on the part of LHDA to pay compensation such as disturbance allowance, minimum threshold, and cash for arable land or delivery of grain in those cases where grain constituted the mode of compensation.

Six years after the completion of resettlement, the poverty of communities affected by the Lesotho Highlands Water Project has worsened. The LHDA has not prepared the communities for life beyond compensation. Death rates are higher. A study commissioned by TRC on the socio-economic situation of the communities affected by Lesotho Highlands Water Project revealed that among their many ailments, the communities have been dying from HIV/AIDS in especially high numbers.

Lessons Learned:

Communities who are due to be resettled and or affected by large projects should have rights to resources; they should have water and



A pylon in the village but no power in the houses: the resettled village Ha Tsiu above Mohale Dam.

electricity as basic rights; they should have a right to development as part of their sacrifice to the project. Monetary compensation is not enough to restore rural communities' livelihoods; land must accompany monetary compensation. Above and beyond communal compensation, communities should have a right to energy resources; they must have access to electricity or solar panels or woodlots.

Many of the community grievances were about inadequate compensation. The reason for this was that the production from the land was valued without taking into consideration the number of children supported by that piece of land. It is necessary therefore, that the valuation of production should take into account the responsibilities over the children and the aged; in the African context, the extended families as well.

1.2. What Happens When Communities Get Disturbed?

Communities who are due to be affected by large dams projects are disturbed the moment they hear that a project of such a scale will be imposed in their midst. It will affect their lives in many ways. It becomes a serious moment in their lives the minute they hear that their villages will be resettled. People begin to discuss what will happen, and are distracted and upset. They may wonder if it is worth improving their houses, or working their fields, if they are only going to be moved anyway. Some start counting their chickens before they are hatched, and hope the project will benefit them.

The fact is, after resettlement, their lives will never be the same. Nothing could be a sufficient substitute of the life they have known for generations. No price could compensate them for a life that has been so emotionally disturbed.

The Lesotho Highlands Water Project has forced out communities from their homes, submerged farmlands, forests and sacred places; destroyed fisheries, and caused social, cultural and economic impoverishment of the affected communities. The building of camps, roads and other infrastructure necessary for the smooth construction of the reservoirs and tunnels meant that property of communities living in those areas would have to give way to these activities. People's fields, homes, grazing lands, places where cultural activities have historically been held, all had to be given up for the LHWP.



This situation prompted the displacement of people from their ancestral homes, which have passed on to them from generations. The resettlement of inhabitants from their original

The use of land plays a crucial role in sustaining livelihoods in Lesotho.

habitat to an alien environment has implications for both the resettles and the host communities. These implications are economic, social, cultural and environmental.

The economic consequences of resettlement include loss of income due to the loss of the means of income generation. In an agrarian area such as the Lesotho highlands, the loss of arable land – already a very scarce commodity in Lesotho – is a consequence of the dam project that cannot be fully mitigated. Forfeiture of land used for food production means loss of revenue accrued from the sale of surplus food. People also lose fertile grazing land, especially in the valleys to be flooded by the reservoirs, thereby adversely affecting the quality and quantity of livestock products. People in the rural



Resettles looking at their sunken homesteads in Mohale during a trip around the dam.

areas also benefit from selling traditional medicines, natural/wild vegetables/herbs and fruits in addition to those, which are domestically produced. These natural resources are lost as well and cannot be replaced.

Socially, the resettlement in LHWP areas has disturbed family structures and other structures within the affected society, which had been built over decades. Some members of a family may be relocated far away from their relatives where they are forced to begin a new life with different people. And communities that have been together for many decades are suddenly torn apart.

Another social problem stems from the interaction with host communities to which they are resettled. They will have to adapt to the ways of life in those areas, making new friends and coping with other issues within the host communities, which often do not approve of their presence. The Matala community is a case in point. This community had to endure terrible vicissitudes because the host community could not understand them; they were prohibited from burying their dead in the local cemetery, a painful experience that happens in the land called the land of peace. They were insulted by the host community as stingy, noisy, and ill mannered. If the LHDA had listened to the advice from the TRC, the approach to resettling the Matala community would have been different. TRC had advised that it was necessary for the new community to be integrated into the old one. This would have meant LHDA introducing itself to the area chief, explaining in detail that the community would receive new members. LHDA did something different; they went straight to the site they claimed to have bought to put up the new arrivals; they did not present themselves to the chief, as it is the custom of the people of Lesotho. This event was a source of disharmony between the LHDA and the host community, and the consequences were felt by the Matala resettles.

The resettles also have to live under new administrative structures and it takes some time to get used to them. Resettlement also has some negative effects on the cultures of people since one's culture cannot be divorced from the area within which his/her culture has been practiced since time immemorial. Cultures practiced at host villages are not necessarily the same as those of the host villages; this in fact culminates into clashes.

The case of Ha Matala illustrates this point. The community of Ha Matala agreed to move to the lowlands because LHDA had promised that they would get graves, but the graves were not there; they were promised that they would get as individual households, the communal compensation, but that did not happen. This was an event best described as a trail of broken promises.

Resettlement of people has a bearing on the natural environment also. First, they are going to increase the population in the host communities, thereby increasing pressure on the natural resources available. Resettlees bring livestock, for instance, and in places where people cannot afford to feed animals grain, that means that too many animals end up crowding the same grazing lands. In addition, provision of houses often means that areas of natural vegetation will have to be destroyed. Woodlots will also experience increased pressure, as more people who cook with wood now compete for scarce resources.

When resettlement took place, we witnessed scenes of confusion. People started crying copious tears. The situation, which moved many people, including us, is when the dead were exhumed and moved to the new graveyard. It was a heart-breaking event; no one could bear such an intolerable spectacle. People who had been laid to rest were now disturbed, and it brought back painful memories to the living.

The new houses for resettlees were also a source of stress; these structures were not only a break from traditional design, but also colder than a mud-wall house, and lacking an indoor wood-fire cooking area. The houses were like tombs whitened outside, but full of corruption inside. The sweet promises that LHDA had made were not there for the communities to see – there was no tap for running water, no electricity, no vegetable plantations, no toilets, no stoves. In some cases communities went to their new areas a long time before proper sanitation facilities could be in place; there was no

water and electricity supply. Some of the community members did not like to stay in the same house with daughters in law.

The affected communities brought their animals in numbers to the host communities. The pastures in these host communities were of poor quality, and the new animals added to the strain. Upon arrival the communities reported that their livestock died in large numbers.

Lessons Learned:

Communities were not involved in the design of compensation packages and the whole compensation scheme was designed to compensate *material* things, not anything else. This is a technocrat's approach, which was one of the main shortcomings. The social aspects have been neglected.

The LHDA did not inform communities about their rights vis-a-vis the proposed dam project. This total neglect of the rights of the communities originated from the nature of the treaty between the government of the Kingdom of Lesotho and the Republic of South Africa. The treaty was concluded between the Apartheid South Africa and the military government, which were not democratic governments, where people could freely express their opinion.

The provisions of the World Commission on Dams as well as the objectives of Africa's NEPAD puts the rights of communities at the center of large infrastructural developments. The World Summit on Sustainable Development emphasizes people's direct participation in these projects as well as to be direct beneficiaries of these projects.

Dam authorities should be in partnership with the affected communities. It is also important that a political environment allows communities to participate meaningfully.

As the World Commission on Dams recommends, no dam should be built without the "demonstrable acceptance" of the affected people. It

states that "Adversely affected people are recognized as first among the beneficiaries of the project," and calls for "mutually agreed and legally protected benefit sharing mechanisms" to ensure implementation. The WCD recommends that: "All recognized adversely affected people negotiate mutually agreed upon, formal and legally enforceable mitigation, resettlement and development entitlements."

Our observation was also that many times the communities complained that the LHDA was delaying to pay out compensation; it took LHDA two, three to four years to effect lump sum payment. Our advice is that any delay in the payments of community money should not exceed three months, under any circumstances.

Resettlement should only take place after all necessities are in place: water, toilets, gardens, electricity, house, cemeteries, grazing lands, etc. The pastures of the host communities must be assessed as to whether they have capacity to carry a host of animals from the resettled communities. In the absence of sustainable grazing lands, fodder must be provided for a period of time that will be agreed upon by the communities and the authorities.

Resettlement should be conducted according to habits/practices and traditions of the local people, but this arrangement should still respect individual's choice.

It is important that sharecroppers and others who do not own land must be compensated as well; they are citizens of Lesotho, and they share in the resources of the community to be affected by a dam or a project.

The overall goal of improving the standard of living for the affected people is hard to accomplish because of the difficulties in successfully resettling entire communities. Therefore, all the children of the affected communities should be sent to school by the

developer; it must be a right for these children to be educated by the dam authorities.

Trainings offered by the developer or authorities in charge should help communities to cope with the stresses of life; these trainings must be sustainable; they must have the capacity to restore the lost livelihood. Handouts or reliance on compensation money alone should be highly discouraged.

Unequal Compensation

In the Mohale catchment, communities are resettled in stages: stage 1, stage 2 and stage 3. Stage 1 is for those who had to make way for construction of the dam; it is normally called pre-construction resettlement. Stage 2 is for those who had to be moved because of dam closure and reservoir formation; they are normally called pre-inundation resettlers. Stage 3 is called post-inundation, that is, those households who might have to be resettled after the dam has filled.

The communities of Stage 2 have for a long time complained about the lack of uniformity of **garden compensation by** LHDA. The stage 1 of resettlement received cash compensation for their gardens yet LHDA denies the same option to stage 2 resettlers. In TRC's opinion this is a clear violation of the constitution of Lesotho which bans discrimination. LHDA has been flouting the Lesotho constitution, particularly subsections: (1), (2), and (3). Subsection (1) states, "*... no law shall make any provision that is discriminatory either of itself or its effect.*"

Subsection (2) reads thus: "*... no person shall be treated in a discriminatory manner by any person acting by virtue of any written law or in the performance of the functions of any public office or any public authority.*"

Subsection (3) goes further to say: "*In this section, the expression "discriminatory" means affording different treatment of different*

persons attributable wholly or mainly to their respective descriptions by race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or other status whereby persons of one such description are subjected to disabilities or restrictions to which persons of another such description are not made subject or are accorded privileges or advantages which are not accorded to persons of another such description."

The communities of Stage 1 and Stage 2 resettlement have been treated differently in how they were compensated for their gardens. This goes against the objectives stated above. Some communities have been singled out under a "special compensation policy" which creates further inequalities.

When it comes to choice of options, LHDA has also been inconsistent. For example, the compensation policy states, *"each household to be resettled/ relocated shall be provided with heating/ cooking facility and shall have the **option of accepting this or choosing a cash payment equivalent to the value of a cooking/ heating facility** determined by LHDA."* Many of the affected communities have not been afforded this opportunity by LHDA.

Article 10 (3) (a) of the treaty provides that "the cost of the project shall include measures to enable local communities to maintain a standard of living not inferior to that obtaining at the time of disturbance as well as compensation."

The World Bank operational directive of June 1990 states thus about the involuntary resettlement:

"All involuntary resettlement should be conceived and executed as development programs with resettles provided sufficient investment resources and opportunities to share in project benefits, Displaced persons should be compensated for their losses at full replacement cost prior to the actual move...."

Lesson Learned:

The situation that existed wherein the Thetsane community was said to have been compensated under a special compensation Policy should be avoided; in fact, this is unlawful and an infringement on the fundamental rights of the communities. Communities should not agree to something unless that agreement is in writing and binding on the developer. The institution of a public interest legal center could also be important in this regard, because there are a number of grievances which could only be unearthed through a rigorous legal battle.

Construction Companies:

Often times companies on this project – both large and small – did not do a thorough job; after companies have left communities still complain of cracks in walls; culverts take water through community fields; communities complain that a bypass road has caused great damage to their property; the blasting activity damaged roofing, windows and cracked the foundations of houses. There was no direct supervision of the companies by the LHDA. It was only later that the companies were claimed to be monitored by the consultants of the companies themselves. This situation may be likened to being a judge in one's own case.

The dam project involved construction of a paved road into the Highlands. While communities were pleased with the improved access it brought, its construction also paved over land and damaged homes. In the seven years since the damage by the road happened, communities have still not been paid. The Ombudsman has had to intervene on behalf the communities.

Lesson Learned:

All companies should be closely monitored to ensure that they do a thorough job of good quality. To do a thorough job, companies

should be monitored not by company consultants, but by independent consultants, who have no relations with the construction companies. It is also advised that workers in these companies or in any work area related to the project, should be provided with skills while at work so that after the completion of work they will have been prepared for future jobs in that field. Grievances or concerns from the communities should be worked out immediately; they should not be allowed to accumulate in the hope of attending to them some time later. We have seen that this did not normally happen; the Rumdell company, which was contracted by LHDA, for example, left Mohale while there were still a host of grievances to attend to.

World Bank Panel of Experts.

TRC has not met many times with the project's Panel of Experts, but the times that we did meet with them we found people who wanted the dam to be completed within the set deadlines. They would send only one or two people to meet the NGOs, not the full Team. Their biases lay with the LHDA. At one time some communities wrote to the World Bank for intervention between themselves and the LHDA. The Bank did not meet the communities face to face; even where they attempted to do so in the field, those who interpreted were LHDA officials. The Panel of Experts have made a number of recommendations to LHDA to this effect, but the LHDA has been slow to effect them or did not take the recommendations from the panel. (See page for a long essay on lessons learned on the project by a former member of the project Panel of Experts.)

Lessons Learned:

The World Bank should meet with communities directly, not just with the NGOs that work with the communities. They should really respect the communities by listening to them. When they go to communities they should not have project authorities as mediators; they should personally and directly meet the people. Those who go to the communities from the side of the Bank should be people who

have power to make decisions, not the delegates of the Bank. This is important as communities will get answers on the spot without delays. It is important again that the authorities or even governments listen to expert advice from the Bank; this will not only give credibility to the whole process, but will ensure continued support of such projects by the World Bank in the future.

References

LHDA, (1997), **Compensation Policy**, October (unpublished policy paper)

World Bank, (1990) **The World Bank Operational Manual: Operational Directive 4.30**, June 01

World Commission on Dams, (2000), **Dams and Development: A New Framework for Decision-making**, The Report of the World Commission on Dams. London Earthscan.
Accessed from <http://www.dams.org/report>

2. The Role of the World Bank: The Perspective of International NGOs

Korinna Horta and Lori Pottinger

The Lesotho Highlands Water Project is the largest water project being developed in Africa. The catalytic role played by the World Bank in moving this project forward, coupled with the project's large scale and significant social and environmental impacts, drew international organizations to critique the project and try to hold the Bank accountable for implementing its social and environmental policies. Here are some of the lessons learned from our many years of following this project.

Lack of Transparency in Project Planning

The LHWP was conceived in secrecy, and its lack of transparency in the early years contributed to its failure to solve social problems caused by its resettlement program. The political context when the project came into being was repressive. The Apartheid government in South Africa and a military government in Lesotho signed the treaty establishing the Lesotho Highlands Water Project in 1986. Shortly before the signing of the treaty, the military government in Lesotho came to power through a military coup, which reportedly was engineered by the Apartheid regime. The financial package for the project was put together at a time of severe repression in South Africa by the Apartheid government, when the country was subject to international economic sanctions. According to the World Bank's Staff Appraisal Report (July 2, 1991), the Bank was the key catalyst in the cooperation between the governments of Lesotho, South Africa and offshore financiers. The World Bank went so far as to establish a special trust in the United Kingdom to address



Korinna Horta



Lori Pottinger

the political sensitivities of financiers who did not wish to be seen as violating international sanctions imposed on the Apartheid regime.

Lessons Learned:

Using a participatory planning process and ensuring transparency throughout the process is critical. The World Commission on Dams provides a new framework for decision-making on large dam projects based on recognizing the rights of, and assessing the risks to, all stakeholders. It recommends that those who would be adversely affected should participate in the planning and decision-making process and have a share in project benefits. Among other things, the Commission recommends that no dam should be built without "demonstrable acceptance" of affected people, and without free, prior and informed consent of affected indigenous and tribal peoples.

Development Benefits For Affected Communities

Rural Development Plan (RDP):

The RDP was set up to make sure that the affected communities in the Highlands would have access to training and micro-credit to re-establish their livelihoods (which, ironically, were destroyed by a development project). But it was poorly conceived, under-funded, badly implemented and, ultimately, ineffectual in addressing the needs of local people (who were not consulted for Katse, and only minimally so for Mohale). The RDP was widely criticized; even World Bank reports called it "the sick man of the project," a statement that attests not only to the difficulty of the task at hand, but also to the ineffectiveness of its implementation. A June 1996 World Bank report stated, "After about eight years of implementation of RDP progress, a recent evaluation shows that, although there is some potential for this program in the Highlands, it cannot be trusted to restore incomes and sources of livelihoods as required by the treaty and Bank resettlement policy." In a submission to the World Commission on Dams in 1999, an affected person stated, "Our future is uncertain because we have not been trained on things that would

sustain our lives once compensation comes to an end. The project had initially promised that we would be trained on self-reliant projects that would include income-generating activities. Nothing is happening.” Yet the RDP represented the project’s primary effort to re-establish income-generating opportunities for those who had lost their homes, land and other resources.

Another problem was that the costs of the plan were negotiated separately, after the project was already under construction. During protracted negotiations on funding the plan, the Lesotho and South African governments finally agreed in 1993 to divide the costs evenly. Each government would pay approximately \$18 million over a ten-year period – far less than the amount project consultants had originally proposed. South Africa’s overwhelming political advantage prevented Lesotho from insisting that the development budget be included in the compensation costs.

Lessons Learned:

When rural farmers are to be resettled for development projects, it is critical that they be offered replacement land of at least an equal quality to what they had.

Project-affected people must be part of the process that determines how their livelihoods will be restored in order to ensure that they benefit from development projects. Participatory rural development planning with negotiated outcomes would have led to better results.

The RDP's full costs should have been included as part of the original project budget, not negotiated between unequal players after construction was already under way. This is the only realistic way to evaluate a project's real costs, and to avoid politicizing the process.

The Development Fund:

The Development Fund – into which royalties and receipts from customs were paid – was to be the centerpiece of Lesotho’s overall poverty reduction strategy. According to the World Bank, the Development Fund would be community-driven to finance the priority areas of local communities.

In practice, the Development Fund became an instrument of political patronage, and the World Bank attempted to restructure the fund after concluding that its activities were highly unsatisfactory. In September 2003, the failed Development Fund was closed.

Lesson Learned:

The Development Fund was set up by the World Bank to ensure that the LHWP was a poverty-reduction project, thereby justifying the Bank’s financing. An analysis of Lesotho politics and government capacity to handle such a project might have indicated early on that simply setting up such a Fund would be insufficient to the task.

Specific rules on ensuring transparency in the management of the Fund, and public information on its activities and programs should have been put in place. An independent oversight committee with the participation of civil society representatives could have helped ensure that the funds would have been allocated to benefit the population of Lesotho and in particular the affected communities in the Highlands.

When Development Brings Disease:

According to UNICEF's January 2005 Humanitarian Action Report, "Progress made in [Lesotho's] human development and poverty alleviation over the past decades is being rapidly reversed by one of the most severe HIV/AIDS pandemics in the world. National

prevalence rates are estimated at 31 percent and over 40 percent in the capital district of Maseru."

According to medical researchers, AIDS took off in the Lesotho Highlands because of infected construction workers on the project, who moved into communities that were already socially traumatized by their impending resettlement. An August 7, 1995 report in the medical journal *Archives of Internal Medicine* describes the startling changes brought on by the project. "In the early years of the worldwide pandemic, there were no reported cases of AIDS in Lesotho," the authors note. Since construction began in 1986, the HIV virus that causes AIDS had been introduced by dam workers and quickly made inroads into local populations. By 1992, HIV infection rates in villages around the dam were 0.5 percent, and infection rates in the dams' work camps were over 20 times higher (5.3%). The town of Leribe, which is a gateway to LHWP project areas, had a low HIV infection rate in the early stages of project construction. By 1993, it had the highest rate in the country. The rate among Leribe's 15-24 year-olds skyrocketed from 3 percent in 1991 to 12.6 percent in 1993. By the year 1999, tests of antenatal women living in the mountains around Katse Dam indicated 22 percent of them were HIV positive. LHDA acknowledged the problem: "It is apparent that the impact of the Phase 1A construction workforce on local communities has been much greater than was originally anticipated. While many of the economic benefits have not materialized, most of the social disbenefits have, leaving the social fabric of these communities visibly disintegrating."¹

Lessons Learned:

It is well known that the construction of transport corridors and large infrastructure projects are primary catalysts for spreading HIV/AIDS on the African continent. Desperate poverty of women and girls, aggravated in the Highlands by the loss of garden plots and other

¹ LHDA, Mohale Advanced Infrastructure: Draft Social and Environmental Impact Assessment, April 1995, p. 6-1.

resources essential to the survival of families, often leaves prostitution as the only alternative. In addition to effective public information campaigns and education directed specifically at women and girls about the dangers of HIV/AIDS, this type of project needs to include specific measures to ensure that women have the means to feed their families. Permanent public health services accessible to local communities, especially women and children, are essential, as is permanent monitoring of the public health situation.

In view of the large numbers of people now already infected, the project must ensure access to free care and to retroviral drugs of all people in the affected communities.

Putting Engineering Before People:

In 1995, a Lesotho NGO wrote to World Bank President James Wolfensohn: "The World Bank should make any future contribution in Phase 1B dependent on the satisfactory solution of the relatively simpler social and environmental problems created by Phase 1A." Two years later, NGOs again wrote the World Bank urging a delay until the social problems were dealt with: "We are writing to you because we are concerned that pressure to advance with the appraisal process of Phase 1B of the Lesotho Highlands Water Project will undercut the World Bank's stated commitment to address the disturbing social and environmental problems left behind in the Phase 1A area. Another result of rushing the loan is that it does not allow sufficient time to put in place institutions and structures that could prevent a repeat of these problems in the Phase 1B area."

But when the time came to consider loans for the next phase, numerous outstanding problems at Phase 1A remained, especially the lack of income restoration for the affected people, serious delays in compensation (such as replacement for lost garden fields), and many other unfulfilled promises. Still, the World Bank decided to go ahead with financing Phase 1B before these issues were resolved. The

reasoning was that Lesotho could not afford to lose an estimated \$55 million in water royalties for poverty alleviation.

Lessons Learned:

Specific conditions – including evidence for the establishment of income generating opportunities – should have been met before advancing with the next phase of the project. Structures and institutions should have been in place to prevent a repeat of the problems in Phase 1A.

Environmental Impacts/Field Research:

The feasibility study for the project concluded that there were no major "environmental obstacles" to the project, so the LHWP began without an environmental impact assessment (EIA) for either Phase 1A or for the overall project. In addition, there were no studies on problems such as erosion and sedimentation although these issues are critical to the project's long-term viability.

There is still no EIA for Phase 1A, although some 35 baseline studies of the area's flora and fauna were done after construction began. A full EIA has been done for Phase 1B, and an Environmental Action Plan, but neither addresses outstanding problems from Phase 1A. An "environmental flows" study, which analyzes how much water is needed in areas downstream of a dam to support life and livelihoods, was not completed before the second dam was begun, thus greatly reducing its effectiveness. Phase 1B was also begun without critical studies on limnology and seismicity.

Critical environmental and social studies appear to have been an afterthought on the LHWP. As a result, large numbers of studies were carried out too late to influence project design or to add meaningfully to the debate about project viability. It also appears that many of these studies were simply done as a pretext to win World

Bank approval, but resulting in few concrete improvements in the situation on the ground.

As a requirement of World Bank environmental policy, the Bank established an Environmental Panel of Experts to monitor project impacts. The reports produced by this Panel have not been made consistently publicly available, and not subject to public debate. Occasionally, a leaked copy of a Panel report confirmed the Panel's doubts about the project's ability to prevent impoverishment of the Highlands communities, the degradation of downstream ecosystems and severe impacts on the livelihoods of downstream populations. But it is unclear to what degree the Panel was able to influence the project design and implementation.

Lessons Learned:

A full and cumulative environmental impact assessment – including plans to address public health and social impacts – must be carried out in a timely and participatory manner and taken into account in project design and implementation.

It is insufficient to have an Environmental Panel of Experts follow the project for years if its reports (and implementation of its recommendations) are not made public and not debated by the affected communities and the larger public.

There is a need for consistent on-the-ground participatory research to document project impacts on local communities and the environment. This information is vital to put pressure on decision-makers to fulfill their promises.

Corruption:

The Lesotho Courts have shown that the project was marred by corruption from its earliest days. A dozen major multinational firms and consortia on the project were accused of bribing the CEO of

LHDA; the agency in charge of the project, after a Swiss bank account in his name was discovered. Starting in 1999, the Lesotho courts have waged an unprecedented fight against corruption, which represents a path-breaking model for the courts in other countries. So far Lesotho has successfully convicted three of the world's leading construction and dam building companies: Acres of Canada, Lahmeyer GmbH of Germany and Spie Batignolles of France. The Canadian and German companies have also lost their appeals in the Lesotho Courts. Other major international companies are still being investigated.

The Lesotho government remains undaunted by the vested interests behind the big companies it has chosen to prosecute. It is essential to show “zero tolerance” for bribery, says Leaba Thetsane of Public Prosecutions. “We have demonstrated to the international community that corruption is not just a Third World problem,” he said. But the cost of prosecuting these companies has been high. According to the Lesotho Attorney General, Fine Maema, the court cases have cost the government \$4.3 million as of 2004 – 2% of the country's annual budget for public services. Lesotho believed that international donors like the World Bank had promised to provide financial assistance to fund the cases, but no such funding has been given to date, and the World Bank denies that it ever promised financial support.

The Lesotho court case is the only national-level prosecution involving multinational companies building a World Bank-financed projects that we know of. So how has the World Bank reacted to the bribery convictions in Lesotho?

After initially declaring that there was too little evidence to debar Acres International, the Bank finally debarred the company in July 2004 – barely a week after testimony by the chief prosecutor for the Lesotho courts in front of the United States Senate, and two years after the Lesotho courts had found Acres guilty.

The U.S. Senate Foreign Relations Committee states that, since 1946, the World Bank has lost to corruption \$100 billion slated for development in the world's poorest countries. Not only have millions of people living in poverty lost opportunities to improve their health, education and economic conditions, they are also stuck with repaying the stolen funds since they are part of debts owed to the World Bank.

Lessons Learned:

A small country such as Lesotho can teach the whole world a lesson about fighting corruption. In view of the emphasis of the G8 and northern countries more broadly on "corruption in Africa" being an obstacle to development, the Lesotho court cases make it very clear that northern companies play a key role in this corruption and may often initiate it in the first place.

The World Bank has been painfully slow in debarring major companies found guilty of corruption. Despite all the talk about the need to fight corruption, the Bank's efforts concerning corruption in the projects it finances continue to be very limited. To date, the Bank only considers debarment of companies directly involved in project components paid for by the Bank. This is not enough, and sends the wrong message about corruption. The Bank should debar all companies found guilty of corruption even if their contracts were not directly related to a World Bank contract. There also should be cross-debarment – a debarred company should not be able to obtain funding support from other publicly financed institutions such as the regional development banks or export-credit agencies.

Ombudsman:

Another important attempt by Lesotho to right the many social wrongs associated with the LHWP was the government Ombudsman's inquiry into the complaints of the dam-affected people. The need for an independent Ombudsman arose when it became clear that LHDA had been negligent in its obligation to

properly compensate and resettle dam-affected people, and, in some cases, had broken Lesotho's laws governing compensation. Lesotho's Ombudsman has the power to investigate citizens' complaints against governmental bodies and to recommend fair settlements of these disputes.



During the Ombudsman's hearings, members of the affected communities could voice their grievances.

They listed numerous unfulfilled promises of development schemes intended to help their communities cope with the dams' impacts: roads, water supplies, health facilities, schools, electricity and bridges. They described painful resettlement experiences resulting from shoddy house construction, polluted and eroding resettlement sites, and damaged property.

Never before had communities, civil society, and government officeholders collaborated on such a scale to rectify the failures of a government project.

When the Ombudsman released his final report, the affected people's allegations, including LHDA's failure to comply with relevant legislation on compensation, were largely proven. "Where LHDA

The grievances presented to the Ombudsman captured the pervasiveness of the impacts the multi-dam scheme has brought upon the people of the highlands. Those who brought complaints spoke of inadequate, delayed, and unpaid compensation payments.

has violated the law, breached the contract or acted negligently ... LHDA must make good the loss,” states the final report. The Ombudsman's recommendations were accompanied by specific timeframes for implementation.

To its credit, LHDA largely conceded that the findings of the Ombudsman's inquiry were valid, calling them “fair and balanced,” and committed to making amends.

Lessons Learned:

Having a local, independent advocate for communities affected by large development projects helps reveal the scope of the problem, and can minimize the chance that problems will be swept under the rug (a situation that is more likely to occur when the monitors are also part of the team responsible for resolving the problems).



Concrete block houses were built to replace the traditional stone and thatch homes of the Highlands' resettlers. Many complained about the inadequateness of the new houses.

As with so many large infrastructure projects in developing countries, those responsible for the LHWP often had limited

knowledge of local conditions and did not seek a deeper understanding of the specific difficulties faced by the Highland communities. For example, LHWP resettlement experts expressed anger and disbelief that Highlands's communities were unhappy with the concrete blockhouses that were replacing their traditional stone and thatch homes. Not only did this show cultural insensitivity, but it revealed little understanding about how Highlands's families live (cooking inside over open fires, for example). The thatch homes are also much more appropriate for coping with the harsh Highlands climate. Having a locally respected ombudsman can go a long way to ensuring that problems are brought forth and addressed in culturally appropriate ways.

Finally, as recommended by the WCD, all recognized adversely affected people should be able to negotiate mutually agreed, formal and legally enforceable mitigation, resettlement and development entitlements. Such a plan would likely include some kind of dispute resolution, such as the Ombudsman performed, but there would be the added weight of having clear penalties for not addressing the grievances found to be legitimate.

Institutional Capacity:

The LHWP was the largest engineering scheme in Africa at the time it was begun, and was built in one of the continent's poorest countries. A lack of capacity to handle such a hugely problematic, complicated project (especially the under-funded programs to handle social and environmental impacts) was an issue from the start. In its regular evaluations of the project, the World Bank's Panel of Experts regularly commented on the problems arising from this mismatch between the project's social-development aspects and the ability of the LHDA staff to carry it out. For example, just before the second dam was to begin, the POE wrote: "LHDA had great difficulties in providing even a small number of replacement houses before the impoundment of the Katse Dam. With many problems in the Phase

1A area unresolved, it is difficult to see how LHDA can take on the additional responsibility for Phase 1B. "

Despite the enormous magnitude of the LHWP and its central role in Lesotho's economy, the Lesotho Highlands Development Authority still lacks the staff and capacity to address the multiple impacts of the project. Ten years after impoundment of the Katse dam, a World Bank report of January 2005 refers to the fact that only four of twelve senior positions at LHDA were satisfactorily filled. The report recommends that senior management receive help in the form of management coaching in order to develop a deeper understanding of the programs they are managing, etc.

Lessons Learned:

Although the World Bank considers institutional capacity building a priority and an indispensable pre-condition to successful development programs, World Bank efforts on this project – starting at initial project planning in the 1980s until today – have not created the institutional framework necessary to ensure that the environmental and social impacts of Phase 1A and 1B were satisfactorily addressed, or that the project would make a contribution to the positive development for the Basotho people more broadly. The lesson here is that a measure of institutional capacity must be in place before a project of this magnitude is launched.

The World Bank's Lack of Political Will to Learn:

In a 1994 Back-to-Office report, a World Bank staff person reports that the LHWP had so far failed to address the needs of the people negatively affected by the project. The report recommends immediate actions to improve the compensation program and calls for a reconsideration of further disbursements if there were no recognizable improvements by the time of the next supervision mission.

Yet disbursements were never suspended, and the Bank proceeded with financing of Phase 1B of the project. More than ten years after the 1994 report, numerous compensation problems for the severely poor population remain unresolved. A World Bank supervision report of 2005 casts doubts on the project's ability to meet the Treaty obligation to ensure that affected peoples' living standards do not deteriorate as a result of the project.



In September 2005 members of the dam affected communities organized a protest march to complain about the delayed payment of compensation.

In over a decade, the world's leading development agency was unable to ensure that an already impoverished population was not being made worse off by a project intended to bring benefits to Lesotho's poor. The fault here does not lie with individual Bank staff, but with an institutional culture that is built on incentives to make loans and keep disbursements flowing rather than on achieving sustainable development results. This has also been pointed out by numerous studies carried out by the Bank's own Operations Evaluation Department (OED), as well as outside critics, but has not led to the necessary changes. Specific to the LHWP, the project's

resettlement expert on the Panel of Experts has roundly criticized the Bank's resettlement policy as being inadequate to the task of restoring incomes, and urged the Bank to adopt the stronger WCD guidelines. The Bank has refused to take any steps to either improve its resettlement policy, or to incorporate the recommendations of the WCD into its own policies and practices.

Lessons Learned:

It will take political decisions and determination by the Bank's shareholding governments from both the North and the South to change this internal culture. But given the convergence of interests of the World Bank and of governments in favoring rapid and large financial flows, it is unlikely that such political action will be forthcoming without advocacy by civil society organizations and media coverage documenting the failure of development agencies such as the World Bank to achieve its stated goals.

The Bank has failed because of the toxic mix of its ideological insistence that massive development projects have trickle-down effects, combined with its culture of incentives to move large amounts of money. There is a lack of willingness to analyze the political situation in places where the Bank is working, including the distribution of power within a country and its implications for project outcomes. If the Bank were able to learn these lessons, it might find itself either refraining from financing certain projects, or creating specific, enforceable safeguards to ensure that poverty reduction objectives are met.

In addition to the Bank's own resettlement policy being weak, the problem is one of implementation. Had the weak policy been implemented, the Treaty obligations would have been met, since they were copied right out of the Bank's policy ("no one should be left worse off"). But now even this minimal requirement – not making people poorer – is unlikely to be met.

3. Assessing the Impacts of the LHWP on Resettled Households and other Affected People 1986 - 2005

Thayer Scudder

My involvement with the Lesotho Highlands Water Project (LHWP) began in 1989 when I was asked to join, at the time of its first visit to Lesotho, the project's Independent Panel of Experts (POE) dealing with environmental and social issues. I remained on the Panel until April 2002. During those 13 years I missed only one of the 19 meetings scheduled for the full panel.



Thayer Scudder

Initiated by what were seen at the time as two pariah governments, LHWP was controversial and problem-prone from the start. On the other hand, I considered two of the project's major goals (water delivery to South Africa and hydropower generation for Lesotho) in the macro-economic interests of both countries. That conclusion was reinforced after South Africa's Independence in 1994 at which time the project received the support of President Mandela, Kader Asmal, the Government's new Minister of Water Affairs and Forestry, and the African National Congress. I hoped that I could contribute to implementing the project's third goal, which was at least to restore the living standards of project-affected people and to protect "the existing quality of the environment" (LHWP 1986 Treaty, p71).

Emphasis in this chapter is on LHWP experience with Phase 1A and Phase 1B resettlers and other project affected people (environmental issues will only be dealt with where they are linked to social issues). Resettlers included whole villages or village sections that were involuntarily moved because of dam construction and reservoir formation as well as individual households required to move for such reasons as the construction of road and power lines.

Other project affected people included villages and households that were impacted upon in other ways. Though not required to shift their residence, some were adversely affected because they lost arable land and/or grazing to the project, or because their livelihood below project dams could be adversely affected by fundamental changes in a river's natural annual regime. Their number far exceeds those required to relocate. In the Katse impact area, for example, 71 households were to be relocated while 1,100 lost fields to the project - 365 of whom would lose all their fields according to the POE's 1991 report.

Throughout the LHWP less attention has been paid to restoring the living standards of other project affected people than to those of resettlers. Indeed, in some cases the project authorities have intentionally excluded them as affected people. One example concerns landless households that sharecropped fields that were taken over by the project and whose ability to find new fields to sharecrop would be adversely affected by increasing land scarcity in both the Katse and Mohale basins. Another example involves thousands of households living in the distal reaches below the Katse and Mohale dams (see pp 59-60). If Mohale Stage 3 households whose land loss to the project is impoverishing are not allowed the option of resettling outside the basin, they will involve a third example.

The first of three sections in this chapter will briefly review global experiences with involuntary resettlement caused by large (15m and higher) dams and relate that experience to the LHWP case. The second section will review the strengths and weaknesses of the key project agencies in the planning and implementation of LHWP resettlement. Agencies dealt with are the Government of Lesotho, the Lesotho Highlands Development Authority (LHDA), the Lesotho Highlands Water Commission (the Commission)², and the World

² The Commission changed its name in 2000 from the Joint Permanent Technical Commission (JPTC) to the Lesotho Highlands Water Commission.

Bank. Lessons learned will be noted. The third section will deal with downstream impacts, the Panel of Experts, and lessons learned during Phase 1A which were applied to Phase 1B. Covered in other chapters, non-governmental organizations (NGOs) are not included.

3.1. The Global Experience with Dam-induced Resettlement

Worldwide the planning and implementation of large dam-induced resettlement has either worsened the living standards of or literally impoverished the majority of resettlers. Such a record is unacceptable for what are often, as in the LHWP case, a country's largest single development project. John Gay and I recently completed a statistical analysis of resettlement outcomes associated with 50 large dams in 32 countries (Scudder 2005). In the 44 cases where data was sufficient for analysis, at best living standard improvement occurred in only 3 cases (7 percent) and were restored in only 5 cases (11 percent). In the remaining 36 cases (82 percent) the living standards of the majority worsened. That statistical analysis, the most detailed to date involving dam resettlement, provides the context within which LHWP's resettlement record must be evaluated.

Robert Goodland, former Chief Environmental Adviser for the World Bank Group, considers resettlement the most difficult and contentious issue associated with large dam construction. I agree. Complexity, which includes unexpected events associated with the long planning and implementation horizon associated with large dams, is such that even with the best of intentions a failed resettlement process may result. But complexity has been dealt with satisfactorily in a number of cases in Africa, Asia and Latin America. More important in explaining failures are five factors, which are statistically associated with outcomes that leave a majority of resettlers worse off. Three of those five relate to the project authorities. They are (1) lack of political will, (2) insufficient capacity in staff numbers and expertise for resettlement planning, implementation and monitoring, and (3) insufficient funding for implementing resettlement plans. The other two relate to project-

affected people. They are (4) insufficient development opportunities to at least restore living standards and (5) insufficient participation.

How adequate is LHWP's performance in regard to those factors? In my opinion, political will has been present only within LHDA's Environment and Social Services Group (ESSG) and the World Bank. Initially capacity was inadequate in all of the key institutions with only the World Bank eventually evolving adequate capacity as time went on. After a slow start, adequate budgets were available but only until the recent handing over of LHDA assets to other ministries. At that time, for example, insufficient funds were budgeted to sustain necessary agricultural and health services for LHWP affected people. Moreover, during the early years of implementation inability to allocate expenses between the governments of South Africa and Lesotho adversely affected implementation of Phase 1A resettlement and has remained a contentious issue between South African members of the Commission and LHDA throughout.

In regard to opportunities, they continue to be inadequate for Phase 1A resettlers but as time went on commendable, but still insufficient, efforts were made to make more income generating activities available for Phase 1B resettlers. Participation of resettling communities and households remained inadequate throughout Phase 1A, two examples being failure for the Planning with the People activity to get underway, and delayed commencement of the Integrated Catchment Management activity which should actively involve all Phase 1A and 1B communities. As with opportunities, commendable efforts, but still inadequate, were made to improve resettler participation during Phase 1B. To sum up, in comparison with the international record, I would place LHWP in the upper quarter of projects; a placement, however, that does not warrant international congratulations as when the project was held up as a success story at the 2005 Stockholm Water Conference in Sweden but rather illustrates just how inadequate resettlement activities

remain throughout the world even in projects that involve the World Bank.³

3.2. Involvement of LHWP Project Agencies

Government of Lesotho

The absence of an actively involved Government of Lesotho has been a major weakness of the LHWP. The global experience is that such large national projects should not be the primary responsibility of a single ministry. Rather the project authorities should report either directly to the Office of the Prime Minister or to an equivalent person or to an inter-ministerial committee, which is chaired by, or otherwise actively, involves, the Prime Minister or a deputy. Such an organizational arrangement is needed to ensure, on the one hand, that finance is available to implement all necessary activities, including those involving other ministries, government agencies and NGOs, and, on the other hand, to provide the necessary clout and sanctions to ensure, to the extent possible, that the agencies involved are accountable and play their assigned role.

In the LHWP case, Guillermo Cano, Argentina's former Minister of Water Affairs, had advised the government in the mid-1980s, as did LHDA's first chief executive officer, to place the Authority within the Office of the Prime Minister to whom its board would report directly. That was a recommendation that Cano repeated as a member during the POE's first 1989 visit. At that time he recommended that LHDA should be placed directly under the Chairman of the Council of Ministers. Cano argued that when a single development project dwarfs all others within a country and has major regional development potential, it required that kind of supervision. Later events suggested that such an organization would

³ Starting in 1980 the World Bank's pioneering of social and environmental safeguard policies has had a beneficial impact on the quality of planning and on reducing the impoverishing impact of large dams on affected people. They have not, however, enabled a majority of affected people to become project beneficiaries or even to restore their living standards.

have improved cooperation while reducing inter-agency tensions and jealousies (between, for example, LHDA and the Ministry of Agriculture), improved handing over of assets (as to the Ministry of Health), and improved operation of the Lesotho Fund for Community Development (the former Lesotho Highlands Revenue Fund).

Instead, LHDA was placed under the Minister of Natural Resources. Regardless of the Minister's competence or incompetence, such an organizational structure can be predicted to have major liabilities simply because one ministry does not have the expertise, resources and clout to ensure the cooperation of other ministries. When a task force of permanent secretaries from relevant ministries was established in 1992, it did not provide the necessary government support due to lack of interest and because it met infrequently and had no secretariat to keep busy members well informed. Its effectiveness was further diminished by inter-ministerial jealousies due partly to LHDA paying higher salaries and the project's visibility to hire away staff from other government agencies. In the Environment and Social Services Group, for example, three senior staff were hired away from the Ministry of Agriculture.

At the time of my first visit as a POE member in 1989, the compensation policy had not yet been approved by the Government, let alone explained to affected people, even though the first land and houses had been acquired in 1987. Nor had the territorial boundaries of even the Katse portion of the LHWP been agreed upon because of jurisdictional arguments involving other ministries.⁴

Another serious governmental problem has been ongoing political instability arising from internal political differences. The 1986 LHWP Treaty and LHDA Order were signed following a military coup in January with no effort made by the government "to allow the public to debate the merits of the massive project and thus gain its

⁴ The compensation regulations were finally gazetted in April 1990, while the Phase 1A scheme area was approved in February 1990.

support and good will” (Gill 1993, pp240-41). Though electoral politics were restored with the 1993 election, political crises have continued “that virtually paralyzed Government at critical times...Well-laid plans for development were undermined as struggles for political survival took precedence.” This culminated during 1998 in the “rioting and looting that seriously damaged the economy” (Sechaba 2000, p7). Under such circumstances LHWP, and especially its resettlement and rehabilitation activities, suffered.

Another failing of the Government of Lesotho was to emphasize in the 1986 LHWP Treaty that the goal of resettlement would be only for members of affected communities “to maintain a standard of living not inferior to that obtaining at the time of first disturbance” rather than to improve their living standards. As subsequent events (analyzed below) have shown that limited goal led to the Commission (as LHWP’s policy making agency) pushing a compensation approach. Based on the international experience such an approach will produce resettlement outcomes to be in non-compliance with the Treaty and World Bank policies since they will cause the further impoverishment of an unacceptable number of affected households.

The World Bank

World Bank Supervision

There is no question that the involvement of the World Bank in LHWP has contributed to improved environmental and resettlement outcomes. That result is due more to project supervision by an increasingly sophisticated, knowledgeable and concerned staff than to Bank policies, two of which I critique below. Task Managers John Roome and Andrew Macoun, for example, have been outstanding leaders both in the field and in outreach to local and international NGOs. So too has anthropologist Dan Aronson whose detailed knowledge of LHWP extends over ten years.

Inadequate World Bank Policies

Two Bank policies share responsibility for resettlement outcomes being less successful than could otherwise have been the case. One relates to the Bank's policy on involuntary resettlement in connection with Bank-financed projects. The other relates to the Bank's historical emphasis on providing finance for the construction of dam infrastructure as opposed to the linked implementation of stand-alone projects for the benefit of project-affected people and the environment.

*The World Bank's Resettlement Policies*⁵

I believe that the Bank's resettlement policies, along with the 1986 Treaty's emphasis on "maintaining" living standards, are a major cause for an unsatisfactory resettlement process. Since their origin in 1980 World Bank resettlement policies, while emphasizing the desirability of a development approach, have allowed governments and project authorities the fallback position of only restoring incomes and living standards. That is the position that governments and project authorities are apt to take as in the case of the Lesotho Highlands Water Project. Yet it is a position that has been shown by research not only to not restore incomes but rather to leave the majority worse off which is why I consider Bank policies as partly responsible for its documented record of failed resettlement (World Bank 1994). There are several explanations for such a result, five of which are briefly mentioned below.

First, the Commission assumed wrongly that a compensation policy, as opposed to a balance between compensation and development initiatives, could restore living standards. The Bank's most recent resettlement policy (2001) also is at fault here, 'compensation' being

⁵ The critique that follows is taken from a letter that I wrote in June 2005 to OECD as an explanation as to why member country export credit agencies should follow World Commission on Dam's resettlement policies as opposed to those of the World Bank.

mentioned 19 times while 'development' is mentioned only four times.

Second, a restoration approach fails to take into consideration the fact that living standards for a majority of resettlers tend to drop during the long planning process (often over ten years) that precedes construction (or first disturbance as mentioned in the Treaty) and during the initial years immediately after physical removal. One reason is that government services and other external investments, including schools, clinics and economic development programs, are stopped or put on hold while those to be resettled are often told to stop improving housing, upgrading farms and making other investments in what planners assume will be a future reservoir or project area. In addition the process of physical removal makes heavy demands on resettlers that delay for one or more years their re-establishing themselves in a new area, with a new host population with whom resettlers must compete for land, social services and jobs, and with, more often than not, increased government control of resettler activities.

Third, pre-project surveys carried out to establish a benchmark against which restoration can be measured are known to underestimate income and living standards which have already been lowered due to project-related cessation of investments in the area.

Fourth, the Bank's safeguard policies deal only with direct economic and social impacts. Ignored are a wide range of socio-cultural effects associated with forced removal from a preferred homeland, the psychological stress affecting the elderly and women in particular, and increased rates of illness and death that have been reported in resettlement areas where, more often than not, population densities increase, and water supplies and food (at least during initial years) are apt to be inadequate.

Fifth, resettlement tends to be associated with increased cash expenditures because many resettlers, as with LHWP, are moved to

less fertile soils which require costly inputs to provide equivalent yields, have less access to common property resources for grazing, fuel, building materials and for foraging, and become more dependent on credit and the risk of indebtedness.

Ted Downing, research professor at the University of Arizona, also explains why the World Bank policy "institutionalizes a negotiating system that potentially violates human rights." Moreover, the Bank's policy, unlike the policies of the World Commission on Dams, fails "to propose measures to address them. Instead, it falls back on the same flawed economic analysis and methodologies that have been responsible for decades of unacceptable performance" (Downing 2002, p13). Failed performance has been acknowledged even by such senior World Bank officials as Robert Goodland and Michael Cernea, the Bank's recently retired Senior Adviser for Social Policy and Sociology, and within the Bank's Operation's Evaluation Department (OED). OED's 2001 *Involuntary Resettlement: Comparative Perspectives* (Picciotto et al) that deals only with large dams, concluded that "the record on restoring - let alone improving - incomes has been unsatisfactory." More to the point, the authors, one of whom was OED's Director, concluded for dam projects that "Above all, displacees must be beneficiaries of the project. Merely aiming to restore standards of living and lifestyles common to isolated river valleys can be a dead-end development strategy." The fact that the Bank's managers are unwilling to change a resettlement policy which its own most knowledgeable staff conclude is flawed is a telling critique.

I admit that the above critique is harsh. To argue, however, that the Bank pioneered an improved resettlement policy in 1980, which is true and which has indeed played an important role in making dam resettlers less impoverished than they would otherwise be, is not acceptable since the Bank was informed even before the initial 1980 policy was approved of research that emphasized the need for improvement rather than restoration policies (Scudder 2005, p279).

The World Bank's Historical Overemphasis on Financing Dam Infrastructure

It was only in the mid 1980s – 30 years after the Bank made its largest loan until that date for the construction of the Kariba Dam on the Zambezi – that the Bank financed, in connection with Brazil's Itaparica Dam,⁶ its first stand-alone resettlement project. The Bank's approach to LHWP resettlement and environmental issues was also pioneering, with Bank assistance largely limited to financing the costs of international expertise including expertise relating to resettlement and the environment. The objective was to “try and ensure the project was done properly with the right inputs and to give comfort to other financiers that we would apply our safeguard policies” (2005 communication from Andrew Macoun).

In its initial 1989 report, however, the POE recommended that the Government of Lesotho approach the World Bank to finance a “stand-alone” development project for the benefit of affected people. The same recommendation also appeared in the POE's 1991, 1993, 1994 and 1995 reports. By the mid-1990s it had been discussed and approved in principle by LHDA, the Commission and the Principal Secretaries of the Ministries of Planning and Natural Resources. It had also been refined to deal specifically with Phase 1B, the recommendation being that the Government of Lesotho “present to the World Bank a ‘stand-alone’ national project dealing with peri-urban enterprise development, the first phase of which would incorporate peri-urban relocation of Mohale households that wish to move to the lowlands” (POE 1994, pvii). Such a project, the Panel noted, would have international relevance, especially in India and China, where lack of arable land necessitates a shift from farm to non-farm occupations. The recommendation was dropped, however,

⁶ The Itaparica Dam was not a Bank-assisted project. Though a major recommendation of the Bank's 1994 review of its projects involving involuntary resettlement was implementation of a “twin-projects approach – one for civil works, and one for resettlement” (page 7/12), few resettlement components have been financed to date. The first major example after Itaparica was a major resettlement project in connection with China's Xiaolangdi Dam in the mid-1990s.

when the POE was informed that no Bank country funds were available for such a project.

The Lesotho Highlands Water Commission

The Commission as a Constraint

The Commission has been a constraint on developing the project in the interests of affected people for a number of reasons. One was organizational. As stipulated in the treaty, the Lesotho Highlands Water Project was primarily identified as an infrastructure project for water transfer to South Africa. Rather than sticking to its primary role as a policy-making body, another constraint has been the Commission's ongoing micro-management of the affairs of the Environment and Social Services Group (which has had a destructive impact on the group's effectiveness and the morale of its staff) and, especially in recent years, on LHDA as an institution.

The composition of the Commission created another problem. Dominated by engineers and technical experts, the Commission's members were primarily concerned with achieving the project's infrastructural goals on time and without major cost overruns. Due to their engineering and technical mindset, time and again social issues were either ignored or misunderstood. Where such issues did arise, the Commission's tendency was to view them as engineering problems that could be solved by sticking to predetermined blueprints and budgets. Not realizing, for example, that household formation was a process whereby numbers changed through time and could be expected to increase through marriage and fission, members found it difficult to understand why estimates of numbers of resettling households increased from year to year, while preferences as to where to resettle changed.

With their views shared to a certain extent by expatriate members of the Lesotho delegation, as well as expatriate and Lesotho engineers within the Lesotho Highlands Development Authority, the South

African delegation also appeared to be primarily interested in the timely physical removal of Phase 1A and 1B villagers from the reservoir basins and associated project works rather than in resettler rehabilitation. I vividly recall one occasion where one of the South African delegation's senior advisers and I got into a shouting match during a wrap up meeting because of my insistence that World Bank policies, with which he and the Commission were unfamiliar and which included not just physical removal but livelihood rehabilitation of all project affected people, must be followed.

The Commission's lack of understanding of the extent to which its resettlement responsibilities extend well beyond the end of the construction phase are further illustrated by the haste with which LHDA's downsizing has been implemented following completion of Mohale's construction. Downsizing, referred to as LHDA restructuring, involves cutting an earlier staff complement of 439 to 231. But as of April 2005 only 64 of those 231 positions, including only 4 of 11 senior management positions, had been filled with permanent as opposed to acting staff. With management capacity at "limbo" for more than a year according to the World Bank, morale among the remaining staff was poor due to their uncertainty about their futures. Not only did the Bank state that restructuring was "not going well" but the Bank's April 2005 mission believed that the problems observed "primarily stem from poor management of the process by the LHWC." Moreover, "lack of progress in the restructuring is now very seriously compromising LHDA's ability to carry out its mission and to meet its Treaty obligations" (September 2005 Aide-Memoire).

Also worrisome for the future was LHWC policies dealing with the handing over of LHDA assets to government ministries and other agencies. Even before my retirement from the Panel, it was becoming increasingly apparent for budgetary and staffing reasons that the Ministry of Health was unable to sustain LHDA's public health facilities. More recently, handing over LHDA's agricultural activities to the Ministry of Agriculture has not involved the

budgetary commitments for continuing the necessary extension activities that resettlers and other project affected people need if they are to restore and develop their livelihood. According to the Bank's April 2005 report: "All programs from range management to asparagus farming are to be handed over ... during the 2005-2006 fiscal year, so LHDA will be out of the rural development business." Yet "no provision is in place for a budget to sustain those activities, nor is there a requirement for the Ministry to identify ex-LHDA activities and account for sustainability." Based on the inadequacy of the global experience with asset handover, that is a recipe for disaster and is yet another example of LHWC policies that will produce results which are both unacceptable and out of compliance with the LHWP Treaty.

Compensation Alone versus Compensation and Development for Meeting Treaty Goals

Phase IA (the Katse Reservoir Basin 1986 – 2005) and the Commission

A major problem associated with the Commission concerned the extent to which its members believed compensation alone would suffice to restore living standards as required by the 1986 Treaty. ESSG staff and advisers insisted throughout, as did the World Bank and the Panel of Experts, that both compensation and rural development initiatives were essential if the Treaty requirements were to be met. The South African delegation claimed that compensation alone would be sufficient to meet their obligations under the Treaty.

Disagreements that adversely affected the planning, budgeting and implementation of essential development activities for meeting Treaty obligations began in the second half of the 1980s. At that time the South African delegation rejected funding any of the 15 rural

development-planning studies⁷, even though environmental, resettlement and rehabilitation cost estimates came to less than five percent of project costs. In hopes of changing that attitude, POE early reports regularly explained why restoration of living standards required both compensation and development. The 1989 report, for example, emphasized that policies which merely attempt to restore living standards at the time of first disturbance, in fact “tend to leave the majority of the population worse off in the short run (three to five years) and a significant proportion (which may continue to be a majority) worse off in the long run.”

Panel reports in 1990 and 1991 sounded a much stronger alarm. According to the 1990 report the “Commission, the Government of Lesotho and the World Bank must all share responsibility for the unsatisfactory start of the compensation and rural development programs. Bearing in mind the proportionately low costs (relative to project costs) of implementing satisfactory environment, compensation and rural development programs, and the unfavorable international public relations impacts that can be expected to follow implementation of unsatisfactory programs, the attempts by the South African delegation and their consultants to reduce, and in some cases eliminate, what are legitimate Republic of South Africa ... water transfer costs relating to rehabilitation of the catchment’s populations, are unacceptable in terms of the World Bank Guidelines but also the LHWP treaty.”

The 1991 POE report stated that “...unnecessary delays have stalled implementation of various RDP [Rural Development Plan] projects for more than a year...delays in implementing such components ... as Rural Sanitation, Village Water Supply, and Construction Communities have actually caused worsening living conditions in certain villages.” Though such delays were attributed to both LHDA and the Commission, the Panel concluded “that protracted arguments within the JPTC [the Commission] over what is compensation and

⁷ It was not until 1991 that the South African delegation finally agreed to fund half of the rural development program.

what is rural development have not only been non-productive but also counter-productive because of resulting delays in approval, assignment of financial responsibility, and, especially, initiation of implementation.” The Panel also referred to “unwarranted interference, pressure and criticism from individuals and other divisions within LHDA, and from within the Commission, upon the Environment Division [later ESSG]” which were having an adverse effect on morale.

POE relationships with the Commission improved after 1991. According to the Lesotho delegation the Panel had played an important role in helping the Commission understand the importance of the rural development component of the resettlement process, the delayed implementation of which was now worrying both sides. A major step forward was the 1992 appointment of Wynand Maartens as alternate delegate to the South African delegation with special responsibility for environment, resettlement and rehabilitation issues. Maartens, an engineer, was a quick learner with whom Panel members developed a warm relationship. He attended appropriate ESSG meetings and encouraged ESSG to work closely with the Commission.

Panel reports continued, however, to criticize slow implementation of the necessary rural development components. The 1992 report noted that “Expected implementation has now fallen two to three years behind schedule,” with the 1993 Report referring to a three year delay in implementing most components. Such delays in the ability of the project authorities to deliver on “promises” were responsible, according to the Panel, for deteriorating relationships with affected people.

In April 1995 the Panel reported, “Once again the Panel must reiterate its view that even with implementation of the Phase 1A Rural Development Plan, it will not be easy to meet the requirements of the LHWP Treaty and LHDA Order. Each potential development option that is ignored, and especially options that deal with arable

land, significantly increases the chances of failure.” Arable land replacement options to date remain largely unmet and there is no evidence that they will be met in the future. The number of people involved has never been accurately quantified. According to the POE’s August 1992 report 1,100 households affected by the Katse Dam (or approximately one-third of Katse affected people) will lose arable land. Of that number 365 households will lose all their fields. Because of the inadequate development opportunities that exist today within the Katse Basin, I would suspect the majority of those 1,100 households have been further impoverished by the LHWP project. The same would apply to over 400 households with no fields since increased land scarcity limits land available for sharecropping. The burden of proof to show that is not the case should be on the Commission.

Phase 1B (The Mohale Dam 1996 – 2005) and the Commission

Preparatory works for the construction of the Mohale Dam began during 1996 with the construction of access roads and township infrastructure. A five volume Environmental Action Plan was issued in October 1997 prior to the commencement of dam construction in 1998. It reflected many lessons learned from Phase 1A. Unlike Phase 1A, it was based on a pre-project Environmental Impact Assessment



The Mohale dam during construction.

that “identified a large number of biophysical and socio-economic impacts which require mitigation and/or compensation...”

The activities designed to carry out this mitigation and compensation, and in some

cases enhancement, have been grouped together under the collective category of an *Environmental Action Plan*” (Executive Summary, EAP 1997 p1). Though that wording once again placed insufficient emphasis on the type of development necessary for avoiding further impoverishment, Volume 3 of the Plan was titled *Resettlement and Development Action Plan*.

Resettlement activities were to be carried out in three stages synchronized with the construction timetable. Stage 1 would involve the relocation of 99 households affected by project works prior to the commencement of construction on the dam itself. Stage 2, labeled ‘Pre-impoundment,’ would involve the resettlement of another 143 households. Implementation of the third stage would be postponed until after the reservoir reached full storage level. An estimated 168 Stage 3 households would be involved. Some would be at risk due to proximity to the reservoir. Others might be cut off by the reservoir from other sections of their village while at least 67-70 households would lose over 50 percent of their arable land to the reservoir.

Policy and implementation problems that plagued Phase 1A have continued to adversely affect Phase 1B until the present. Mohale resettlement and rehabilitation, for example, until recently continued to emphasize housing construction required for physical removal as opposed to other compensation and development activities necessary to restore living standards. As stated in the Panel’s March 1999 report, “While early POE reports (1990 and 1991) explained in detail why restoration of living standards required more development activities as a legitimate project cost, the imbalance between physical resettlement, compensation and development activities has continued to this day...When Katse reservoir resettlement began, emphasis on physical removal and compensation activities continued to take precedence over development activities. The same pattern is now re-emerging with Phase 1B Stage 1 resettlement, where development activities have affected only a small minority of households a full year after their removal...If Treaty obligations are to be met, it is essential that a better balance between necessary compensation

activities and necessary development activities be achieved in future years” in regard to both the Katse and Mohale dams.

The two reports submitted during 2000 made the same point, as did the April 2002 report. As stated in the April 2000 report “The principal problem remains the unsatisfactory nature of the incomplete infrastructure..., and the slow implementation of income generation activities.” At the end of that year, for example, the majority of the Stage 1 resettlers in Makotoko, the principal resettlement community in the foothills, still had an inadequate water supply nearly three years after removal, while necessary development activities to restore living standards of the majority had still to get underway. In April 2002, the emphasis continued to be placed on the housing construction that was required if dam closure was to occur on schedule at the end of the year.

Aside from inadequate emphasis on development opportunities to restore living standards of all Mohale affected people, a particularly contentious issue continues to concern whether or not Stage 3 households will have the option of resettling outside the basin if inundation of their arable land causes their further impoverishment. After over 5 years of uncertainty, the Commission and LHDA finally agreed during a wrap-up meeting with the Panel in April 2002 that Stage 3 households who lose over 50 percent of their land would have the option of resettlement after the Mohale reservoir fills. The World Bank was present and supported the Panel’s position.

Following my resignation from the Panel that month, the Bank informed me that funds had been budgeted for the possible resettlement of over 100 such households. However until this day, it remains to be seen whether or not Stage 3 households will, in fact, have access to the same options as Stage 1 and Stage 2 households the majority of whom opted to resettle at project expense outside the Mohale basin in the lowlands (Maseru especially) and the foothills. That is the World Bank’s opinion as well as my own, the Bank reporting after its April 2005 Mission that “there is not yet agreement

on the actions to be taken to ensure that they restore and have the ability of enhancing their livelihoods.” Discussion continues, however, although it remains to be seen if the project authorities approve and implement for Stage 3 households a policy that includes the resettlement option for those whose livelihood is worsened due to loss of arable land to the project.

Of concern is previous experience with the Katse reservoir. There a post-inundation stage of further resettlement was accepted policy. Yet no additional households requesting removal have been resettled, including some so close to a cliff above the reservoir that the POE recommended their resettlement for safety purposes in 1998. The Katse policy was to consider post inundation resettlement on a household-by- household basis. That is a policy that must not be applied to the Mohale reservoir where the much larger number of households at risk requires integrated planning. It also remains to be seen if the World Bank has the clout after funds’ disbursement to influence the implementation of a Stage 3 resettlement option for households that wish to move once they have had the opportunity to assess how inundation of their arable land affects their livelihood. At risk is not just their livelihood, but also that of affected communities throughout the Mohale basin because the reservoir has significantly reduced the land base for crop agriculture and for grazing – winter grazing in particular, while sufficient other development opportunities have not emerged.

The Lesotho Highlands Development Authority and Capacity Issues

Even prior to its current and deficient restructuring, the Lesotho Highlands Development Authority (LHDA), like the Government of Lesotho, had so little implementation capacity that it may well have been incapable of dealing adequately with the resettlement and rehabilitation process. That deficiency should not imply, however, the absence of individual staff members of exceptionally high quality and commitment within ESSG that include M. Mothepu, M.

Morojele, R. Ramoetsi, R. K.Sefeane, and B. Mateka. The same applies to various expatriate advisers including Jonathan Jenness dealing with resettlement and development, Stephen Turner dealing with compensation, and William Taylor and Stan Hirst dealing with environment.

LHDA

Capacity problems within LHDA related to interminable delays in reaching decisions (or reversing decisions made), and then in implementing them. For example, delayed contracting of a study on zoning the Katse and Mohale reservoirs, followed by continued failure to implement study recommendations, has seriously reduced options for local communities to profit from tourism and other development activities. Because of the customary rights of local communities to project lands, including reservoir-inundated land, the zoning study consultant sought the participation of project-affected people in future development activities. That included tourism with reservoir communities perhaps using, for example, their considerable compensation for loss of common property resources to participate in joint ventures with outside entrepreneurs, as has been the case in Botswana's Okavango Delta. That potential was certainly there, but because of delays in institutionalizing zoning regulations outsiders already have encroached on project lands. The most spectacular site in the Mohale reservoir basin is an island in the middle of the reservoir. While the long-delayed LHDA zoning study was still underway, a joint venture that involved several ministers began to develop the site, with no local and LHDA involvement and without the necessary environmental impact assessment, as a high altitude training and tourism facility.

In addition to delays in agreeing upon, funding and implementing the Rural Development Plan, capacity to implement the plan was weakened by the fact that ESSG staff was concentrated in Maseru. It then took years to establish field teams in the various project areas. Monitoring project impacts on affected people continues to be

inadequate⁸ – an especially serious deficiency for the 365 Katse households who lost all their fields to the project and the 441 households with no fields who may have been dependent, as sharecroppers, on fields that were inundated or otherwise lost to the project.

The POE has been especially critical of LHDA’s lack of emphasis on education. Educational facilities in the highlands, including the Katse and Mohale basins, are the worst in Lesotho. While schools in the lowlands and foothills have piped water and latrines, most in the highlands do not. According to Sechaba’s *Poverty and Livelihoods in Lesotho, 2000*, poor school attendance is “intimately related to the deficit in school facilities” (page 8) as well as to the lack of trained teachers. Though the highlands also have the highest out-migration rate in the country, those moving have not had the education necessary for getting jobs; as a result “employment levels continue to decline in the remote villages” (*ibid*).

In not emphasizing school improvement and skill upgrading, LHDA lost a major opportunity for providing individuals with the necessary education and skills to allow them to either develop enterprises in the highlands or obtain jobs elsewhere in the country. This inadequacy was brought to the Panel’s attention during each successive visit to the headmaster of the Khohlontso School during which he has showed us how the project has yet to restore the school’s sole source of water that was disrupted by road construction. Though eventually LHDA began to provide latrines to schools in the Katse basin, and helped establish one secondary school, little effort has been made to improve village schools by, for example, encouraging the type of English language medium curriculum that could have played a major role in the welfare of some households and perhaps the area as a whole. When local initiative started such a school at Katse in an

⁸ Inadequate monitoring has been a serious deficiency throughout the LHWP. Not only has the opportunity been lost to deal with problems as they arise, but “no real before and after comparison of the effects of the project will be possible” (World Bank September 2005 Aide-Memoire).

unused project building, the LHDA and the Ministry of Education shut it down rather than help the school authority to correct sanitation and other deficiencies.

Opportunities lost by failure to upgrade educational facilities were increased by the failure of the project's rural training program. In the early years, optimistic plans were mooted to develop three training centers, as well as satellite centers, that would provide the type of job training that was necessary to take the place of lost arable land and grazing. Such training would provide skills needed by villagers to obtain jobs during the construction phase, and by those who might start local business enterprises. In 1990 the Panel agreed that there was indeed a need for a Skills Training and Entrepreneurial Development Centre to be built at Katse but this never materialized. Instead a Rural Development Centre was developed outside the project area at Thaba-Tseka.

The RDC as it came to be called was contracted out to a South African consultancy firm whose main accomplishment was to provide the most expensive program of job training in Southern Africa. When the Centre was eventually shut down in 2000, it had accomplished little while consuming more of the Rural Development Plan's budget than any other component aside from construction of feeder roads that complemented the major project road by completing a network circling the Katse and Mohale reservoirs (improved access to and from the project areas being the most important LHWP benefit for affected people).

In all fairness some of the RDC's disappointing record was due to factors outside its control. LHDA and the Commission paid insufficient attention to these when they decided not to hand over training to one of a number of suitable Lesotho organizations. Delays by the project authorities slowed the Centre's opening while poor coordination and administration from ESSG in Maseru was another contributing factor. Another problem was that Centre graduates found it difficult to find jobs with the project since many of the

South African contractors brought in their own workers or rejected the training provided by the RDC as being of too short duration to provide the necessary skills. Moreover, at the time the Centre was closed down, LHDA had yet to implement a credit program that could assist artisans with carpentry, masonry, weaving and other skills (and other local entrepreneurs starting such businesses as bakeries and egg and poultry production) with start-up costs. RDC's own inadequacies, however, contributed to the failure of their graduates to find jobs. It failed to relate its training curriculum to the local and wider market for graduates and it had an inadequate program for following up graduates in order to provide further assistance where necessary and to feed back their experience into the curriculum.

Another LHDA capacity problem has been inability to deal with planning and implementation suggestions for correcting agreed upon deficiencies. One example relates to the need to bring the Ministry of Agriculture more effectively into the rural development process. During several visits to the major Mohale resettlement area in the foothills, the POE visited the Ministry's Matela Farmers Training Institute. The capacity of Matela's well trained and motivated staff to provide training had suffered from major budgetary and infrastructure problems. Housing and other trainee facilities were insufficient as was equipment needed for training purposes. Nevertheless Matela was willing to provide relevant training to the hundreds of Mohale resettlers that had opted for foothill resettlement and was a natural candidate for the type of collaboration that the Lesotho Highlands Development Authority should be seeking with other government agencies.

Capacity problems have further deteriorated in recent years because of LHDA re-structuring. The agreed-upon (but still inadequate for the job at hand) four person Technical Assistance Unit to help affected communities in project areas above and below the Katse and Mohale dams to form cooperatives and Local Legal Entities (for proximal reach communities), and to make business plans to use

their compensation from communal resources, was not recruited until late in 2005. At that time the World Bank was of the opinion that LHDA did not have the capacity to implement its environmental flows program or, more generally, “to carry out its mission and to meet its Treaty obligations” (April 2005 Aide-Memoire).

The POE summed up such capacity problems in its April 2000 report: “A key constraint of LHWC-LHDA is its ponderous management machinery. Things take far too long to decide, implement and complete. The litany of delays is long.”

ESSG⁹

Capacity problems within the Environmental and Social Services Group of the LHDA were of three sorts. One was institutional; another related to overall planning; and the third concerned implementation capacity.

Institutional Weakness

ESSG institutional capacity in terms of staff expertise was the weakest within LHDA. Yet it made less use of ample World Bank funds for technical assistance than any other group. As late as September 2004, the Bank’s September aide-memoire stated: “The mission noted that whereas the other three groups utilized approximately 60% of the loan provision for TA..., the ESSG group utilized only 25%.”

Due to its hierarchical structure, there was insufficient coordination and consultation between what initially were called the environment (which also included health and cultural heritage), compensation, and rural development sections. The necessary pre-project demographic and socio-economic studies carried out by the compensation section during Phase 1A did not include the type of data needed for rural development purposes or - a major defect - for enabling monitors to

⁹ ESSG has been dissolved in the LHDA restructuring.

determine when living standards had been restored. Though assets requiring compensation were carefully documented, detailed information on resources, such as arable land, remaining to each household was not collected. As a result, necessary information that could be built into rehabilitation plans for each household did not exist. Nor were sufficient data gathered for an initial benchmark study against which restoration of living standards could be measured.

Administrative bungling within ESSG also discouraged South African entrepreneurs from signing contracts to buy and market a range of high value specialty crops. This was most unfortunate since only such crops could begin to replace the previous importance of marihuana as the most important income generator for that majority of households without employed family members. Though it can be assumed that marihuana will continue to be grown, the closer incorporation of the highlands into the Basotho Nation will inevitably reduce production due to closer administrative controls.

Planning

The problems with the agricultural components of the rural development plan involved both planning and implementation. Highland yields were not that poor; indeed “When rainfall is adequate, yields exceed 800kg of cereals per hectare – twice that reported throughout much of Tropical Africa and enough grain to feed a small family until the next rainy season harvest” (POE December 1995, p18). When rural development plan budgets were finally approved and implementation finally began in 1991, no food production or income generation components were included. When they were, a major problem related to the lack of attention paid to marketing – both the identification of markets and the implementation of the necessary marketing structures. Hence while dairy cows were distributed especially in the ‘Muela area, the need for an institutional structure and marketing outlets for dealing with production once local markets were saturated was ignored. The same

was the case with those farmers producing a significant surplus of vegetables such as peas, carrots and especially cabbage. The best farmer in the Katse area, for example, was the principal of the Khohlontso Village primary school. His inability to market his produce not only resulted in wastage of produce but also discouraged other farmers from following his example.

Through 2000, consultants were effectively implementing the artisan fishery project on the Katse reservoir. As the project's December 2001 termination date approached, however, ESSG and LHDA failed to act on proposals for its extension. Before it was dropped entirely from the Rural Development Plan, the fishery project was also constrained by the continued inability of LHDA to plan and operationalize the necessary credit program to enable trained fishers to acquire nets and boats. Nor had national laws outlawing the use of nets under all conditions been revised to except reservoir fishing.



Fishermen with their catch in Katse.

Implementation

Compensation and housing construction have continued to be the most satisfactory ESSG social activities to date. I believe the Highlands Water Project has been the first major project to accept, as a major project cost, responsibility for community compensation for loss of such common property resources as grazing, building materials, fuel and medicinal plants. That is a major plus. Dealing with graves was also effectively handled, the dead getting better attention and care than the living.

The project authorities also realized early on that initial intentions to provide grain compensation for a 15 year period to households losing fields, and fodder for a five year period to those losing grazing, were insufficient. Subsequently those undertakings were replaced by an agreement to provide cash compensation annually to households over a 50-year period with a minimum threshold established to deal with the most disadvantaged households. Replacement housing, generally speaking, was an improvement over what had previously existed with resettlers having the option to choose between customary housing and a 'modern' house.



A traditional hut in the Highlands of Lesotho.

Nonetheless various weaknesses have continued to date which have drawn legitimate complaints from resettlers and NGOs, and which threaten the restoration of living standards. During the early years of Phase 1A when the emphasis was on grain compensation, people suffered hunger because delivery often came after the date that initial harvests from lost fields would have brought the annual hunger period to an end. Also it took the project authorities too long to admit that a grain ration alone was insufficient to compensate for the multiple crops, including legumes, which most households had previously planted. Community compensation for lost common property resources had not been received by the end of 2001 because of delayed establishment of an institutional structure for receiving the funds. In regard to replacement housing, correction of defects has been too slow as has been the installation of stoves when resettlers have chosen modern housing.

Even if continued over a 50-year period or longer, cash compensation alone cannot be expected to restore living standards without being integrated with effective implementation of the rural development plan. As various consultants and experts had noted, the quality of individual plans tended to be state of the art. But could they be implemented? The record has been unsatisfactory with budgets unutilized, a few plans dropped or seriously delayed, and the majority inadequately implemented. According to Jenness (2005 communication) those plans “certainly could have been implemented. The will to do so was not there.” Especially serious delays were associated with various agricultural components. Highland households practice a diversified economy that includes crop agriculture, livestock management, wage labor, and a range of small-scale commercial ventures. Since each component makes an important contribution to household living standards, with their proportional importance varying from household to household and within households from year to year, rehabilitation and development strategies must address each. In November 2000 women affected by the ‘Muela Dam told the POE how one dairy cow or a small homelot vegetable garden could provide up to 30 percent of a household’s

necessary annual income or money to pay the school fees for two children.

Though it should have been the first component initiated, “Planning with the People” never was satisfactorily implemented. The same was the case with the village water supply and sanitation components. Though the intention was to complete provision of water and sanitation facilities throughout the Katse local catchment during 1995, by the end of 2001 only 30 of 114 planned potable water projects had been completed. The situation is still very unsatisfactory with completion of essential domestic water supplies not expected until September 2008 – a 13 year delay!

It would be unfair, however, to attribute such implementation failures to ESSG alone. For example, various consultants as well as some World Bank staff have shown poor judgment by questioning the relevance of agriculture for rehabilitation and development purposes. Because of cost considerations within LHDA and the Commission the rural electrification component of the Phase 1A rural development plan was dropped although the Panel requested in its March 1998 report that the issue be revisited especially as it related to schools and various development options. In retrospect, Jenness (ibid) had “a sense of failing for not having pushed education more, especially the education of girls, and for not placing more emphasis on extension to women” who did more farming and local work than men. The POE can also be faulted for not being more gender sensitive.

3.3. Downstream Impacts Below the Matsoko Weir and the Katse and Mohale Dams

LHWP feasibility studies completed during the 1983-1985 period not only underestimated the number of potential resettlers and other project affected people but also seriously underestimated environmental impacts with the project authorities subsequently concluding that “there were no major environmental obstacles to the implementation of the project” (LHDA May 1990, p.iii). That

presumably was one reason why no Phase 1A Environmental Impact Assessment was completed – a fact that NGOs criticized at a later date.¹⁰ That, and the similar views of others including POE members, is probably why the issue of potentially adverse downstream impacts



How much water is going to be released to keep the Senqu river flowing? Downstream view from the Katse dam plunge pool.

was not raised until the POE stated in its 1995 report that “of major concern to the Panel is the lack of information on downstream impacts on riparian habitats and users in Lesotho, South Africa and Namibia.”

Thereafter the POE added two consulting members with relevant expertise dealing with instream flow requirements and played a key role during 1997 in expanding the first LHWP contract on Environmental Flows (METSU 2000) to include “a full health and socio-economic component” (POE July 1997, p9). The

study that followed (METSU 2000) not only pioneered an expanded methodology for dealing with environmental flows but also estimated that approximately 152,000 Lesotho villagers living within the Senqu River basin below the Katse and Mohale Dams would be adversely affected to varying degrees by LHWP.

¹⁰ Jenness believes that critique to be too simplistic. He has a point, noting “We did state of the art environmental work and simply didn’t package it as an EIA. We did a good EIA environmental plan, which is a good foundation” (2005 communication).

Following my retirement from the POE, the issue then arose as to what extent the LHWP Treaty required those 152,000 people to be compensated. METSI, the World Bank and the social member (Robert Hitchcock) of the POE emphasized that compensation in some form should be paid to every community. The two environmental members of the POE, joined by the public health member, recommended to the Commission and LHDA that immediate compensation be given only to communities in the proximal reaches below the dam as opposed to the much greater number of households (one estimate being 20,000) living in the distal reaches. At the time of writing this chapter, the Commission and LHDA favored the POE's majority view with the stipulation that monitoring of impacts on distal reach communities should be required over a ten-year period. Should that monitoring show negative impacts, it was agreed that a contingent liability would address whatever damages were justified.

I consider the POE's majority view to be in error for a number of reasons. First, and most important, it is based on a mistaken understanding of the nature of risks to downstream communities associated with large dams. Caught up in academic arguments over the validity of certain conclusions in the METSI report, the POE majority argues that since METSI seriously overemphasized the costs associated with changes in the river systems' natural regime, no immediate compensation of distal reach communities was justified. In particular they emphasized that downstream inspections after dam completion have shown that METSI's conclusion about future adverse impacts on the woody vegetation of importance for community use as timber, fuel and fodder were wrong. The global experience is that woody vegetation does indeed adapt to new flow conditions more rapidly than METSI hypothesized. So what? That is not the key issue. Rather the key issue is whatever vegetation is involved is now more susceptible to destruction from flooding than would be the case before the construction of the Katse and Mohale dams.

Woody vegetation is now more susceptible to flood damage for two reasons. One is that it is encroaching on a narrower channel. The other, more important, is that the need of South Africa for water and of Lesotho for the revenue from that water, will influence the extent to which reservoirs are drawn down prior to the rainy season. Should operators miscalculate inflows, the risk increases that to protect the dams they will release unnaturally heavy flows at the expense of downstream habitats, including woody vegetation, and communities.

This scenario is not a criticism of the professionalism of those who will be operating the dams. It is based on innumerable cases around the world including in the United States, Nigeria and other African countries, China, and as recently as August 2005, Vietnam where unplanned, heavy releases from water storage dams have devastated downstream ecosystems and dependent communities. That reason alone is justification for compensating all downstream communities in Lesotho. Moreover not only is LHDA already out of compliance with previously agreed upon flow releases, but flood management provisions, including reservoir draw down prior to the rainy season, are not “explicitly provided for in the Operating Procedures” (World Bank, April 2005, p20).

There are other reasons as well for providing compensation now to all affected communities. Regardless of the environmental flows that are eventually released from the two dams, water released down the Senqu will be far less than prior to dam construction. Did the naturally flowing river have no cultural significance to affected communities that warrants compensation? And what about impacts on other economically important resources, such as fish, sand and medicinal plants? How does one justify giving 100% compensation for predicted losses to proximal reach communities but not to those located further downstream? Moreover, the necessary monitoring has yet to begin so that there is no benchmark showing pre-project conditions. Furthermore should monitoring show significantly adverse impacts over a ten-year period, what guarantee is there that

sufficient money has been budgeted to cover them or that what money has been budgeted has not been used for other purposes?¹¹

The majority on the POE has played down the importance of such reasons for mandating current compensation. They have also ignored in this case the legitimacy of applying the Precautionary Principle (World Commission on Dams 2000) to downstream communities that worldwide have suffered significant losses because of large dam construction. I am further puzzled by my colleagues' position "because the financial costs of monitoring, if carried out to the detail needed to quantify resource losses in the order of magnitude predicted, are likely to be impractically expensive" (2005 communication from Andrew Macoun).

The Panel of Experts

In the mid-1980s the World Bank began to require borrowers seeking financial assistance for such contentious projects as large dams to recruit panels of environmental and social experts to complement a long-standing requirement for dam safety panels. In both cases, project authorities must recruit no less than 3 members acceptable to the Bank and whose fees, paid through the project authority, are eligible for reimbursement from technical assistance funds provided by the Bank. Such panels are independent with their reports to be released as public documents. Though members must address terms of reference provided by the project authority, they can also investigate whatever other issues they consider to be relevant. Except under special conditions, reports are prepared in country and discussed with the project authority before the POE leaves.

The main strength of a POE is its independence. The requirement that panel reports become public documents reinforces the Panel's otherwise weak clout by allowing interested local and international agencies and individuals to monitor, through the POE's eyes, and

¹¹ At the very least interest accruing, escrowed performance bonds should be posted to cover whatever future payments are shown to be necessary.

comment upon the treatment of environmental and social issues. Weaknesses are many. Aside from Panel recommendations being only advisory, other weaknesses include dependency on the goodwill of the project authority, infrequency of visits to what are incredibly complex projects, difficulties of obtaining project updates and information between visits, and the risk of tunnel vision, disagreements and conflicts (including conflicts of interest)¹² among panel members.

The LHWP Panel of Experts

The LHWP Panel of Experts was one of the first, if not the first, appointed with a team of three members making its first visit in 1989. Annual visits were made through 1994. Thereafter two visits per year became the norm with panel members responsible for assessing Phase 1B activities in addition to Phase 1A. Additional expertise could be recruited where needed. In 1993 a public health expert was added, though subsequent resignations of public health members proved disruptive due to the length of time it took for LHDA to recruit replacements.

The POE's accomplishments and effectiveness between 1989 and the present have varied. Between 1989 and 1991 lack of support from the project authorities, and especially increasing conflict between POE members and the Commission, had an adverse effect on Panel contributions. The Panel's greatest support and effectiveness was during the 1995 – 2001 period. Since then effectiveness has lessened due in large part to LHDA restructuring following completion of major construction activities, to increasing conflict among Panel members, and to the extended absence of a social development specialist.

¹² A question that has arisen in the LHWP case is whether or not the dominant position on the panel of the two South African members since April 2002, one of whom became panel spokesman after my resignation, risks placing them in a conflict of interest position, a risk that is enhanced because panel reports since 2002 have yet to be released as public documents.

1989 - first half of 1992

Aside from the three initial UN consultants¹³ and ESSG staff, the POE's status with the project authorities remained low throughout this initial period. Those years were especially problematic for two reasons. First, unlike the Dam Safety Panel's three-year contracts, initially the POE only had one-year contracts. Members also were given short notice about forthcoming visits with the result that, predictably, some members were unavailable due to other commitments.

The second reason was due largely to the Panel's previously described critique of the Commission, and especially of the South African members, in its 1990 and 1991 reports. That led to the Commission's rejection of the 1991 report as "unwarranted negative criticism of and derogatory comments aimed at the Commission" (LHWC Secretariat, 1992) as well as to efforts to get LHDA to withdraw and repudiate the offending report and to terminate the Panel. LHDA's response was to urge the Commission to work cooperatively with LHDA to implement Panel recommendations. That position was shared by the World Bank, a senior Bank official making it clear that firing panel members, though a Commission option, might adversely affect loan negotiations for Phase 1B.

Second half of 1992 – 2001

Though the POE members did not receive three-year contracts until 1996, relationships with the Commission began to improve during the second half of 1992 and remained relatively cordial with both the Commission and the LHDA Chief Executive Officer through 2001. Three examples of increased POE influence follow. One was the gradual realization by Commission members that the POE's reports had played an important role in convincing them that a compensation and development approach, as opposed to compensation alone, would indeed be required to meet Treaty obligations. Though the

¹³ Jenness, Taylor and Turner

extent to which development should be emphasized continued to be inadequate thereafter, recognition of a development component as a legitimate South African resettlement cost remains, I believe, one of the POE's major contributions for benefiting LHWP project-affected people. Another major benefit was the POE insistence that Mohale resettling households have the option of relocating anywhere in Lesotho unlike Katse reservoir resettlers who were required to relocate within the Katse basin.

A POE resettlement contribution in 1995 further increased its status in the eyes of the Commission and LHDA. Though resettlement had yet to be completed from the reservoir basin, the project authorities requested World Bank permission to seal the Katse Dam on schedule so as to take advantage of inflow during 1995/96 rainy season. The Bank, strongly backed by the Panel, refused, stipulating that replacement houses for all reservoir-affected residents must be completed and occupied before the dam was closed. With the requested closure date only six months away, that was the situation at the time of the Panel's April 1995 visit during which the Panel played the major role in working out a possible solution that allowed on schedule closure. That pioneered greater involvement of Katse villagers in the construction of at least some of the 25 houses that were required. The situation was, nonetheless, lamentable since what was belatedly achieved was merely the physical removal of affected households without the necessary social services and development to restore their living standards. It was a situation which the Panel later emphasized should not be repeated during resettlement and rehabilitation associated with Phase 1B.

2002 to the Present

In April 2002 I resigned from the Panel. Now that construction on the Mohale Dam was complete, my main reason was that I suspected that the ability of the Panel and the World Bank to improve the living standards of affected people would be reduced. I believe that has been the case, examples being the decision of LHDA and the

Commission not to provide immediate compensation to distal reach communities, the refusal of the project authorities to link budgets to the handing over of assets, and their elimination of ESSG and downgrading of environmental and social components during LHDA restructuring.

What I had not anticipated was that I would not be replaced on the Panel and that there would be no one representing social issues for 18 months since Hitchcock's contract had expired at the end of 2002 and was not renewed until late 2003. Due to the complexity of LHWP there was no way that the two environmental members, and a new public health member added in early 2003, could even begin to fill that gap. Indeed, project complexity was such that by the mid 1990s environmental and social panel members no longer traveled together, learning from each other, but rather had to separate in order to cover different responsibilities.

After a 16 month absence Hitchcock made his first return visit in January-February 2004. By that time the other members¹⁴ of the POE had decided that distal reach compensation was not justified. A social scientist more attuned to the social issues involved than his colleagues, Hitchcock strongly disagreed, as did the World Bank. Positions hardened during 2005 with Hitchcock and the Bank arguing the case for providing compensation now and LHDA and the Commission, buttressed by Panel majority arguments at the expense of the interests of project affected communities, taking a no compensation position unless still-to-commence monitoring documented over a ten year period losses that should be compensated.

¹⁴ They were John Ledger and Mike Mentis from South Africa and Amusaa Inambao, a public health expert from Zambia who joined the POE in time to participate in the March 2003 POE mission.

Overview

The POE's major benefit for LHWP affected households has been that implemented recommendations have provided them with more opportunities to restore livelihoods as required by the Treaty even though it remains unlikely that that requirement will be adequately met. Though POE members made mistakes, including delayed emphasis on downstream impacts and failure to utilize the resources of the university, far too many good panel recommendations were ignored. Examples include early recommendations not just to restore but also "to raise living standards and incomes" (the first recommendation in the Compensation and Rural Development section of the POE's first report in 1989); the need for high priority to "be given to participation of both men and women in the project (also 1989 but never met); the need for a donor-funded stand-alone development program (1989); and better long term monitoring not just to provide information for immediate use in order to improve outcomes but also to enable eventual assessment of the extent to which treaty requirements were met (first mentioned in the 1989 report and elaborated in subsequent reports).

Other early recommendations had a much-delayed implementation. Examples include changing the name of the Environment Division to more accurately reflect livelihood restoration responsibilities (1989); expanding compensation surveys to include household resources remaining (1989 for Phase 1A but only implemented during Phase 1B); creation of a separate development fund from customs receipts and future project revenue (1989); and more active involvement of NGOs such as the Highland Church Action Group (1991).

Though impacts to date have not been negligible, there are ways for future POEs to have a greater influence on outcomes. A major one which is a requirement for Laos' Nam Theun 2 Dam, construction of which began in 2005, is that the POE must agree that the project's social and environmental obligations have been met, and if not, that the project authority must implement POE recommendations for

deficiency correction. The institutional environment in which the POE operates can also be improved when local social and environmental capacity is complemented by improved technical assistance and adequately financed stand-alone social and environmental projects.

Phase 1A Lessons Learned Applied to Phase 1B

Two important lessons learned from Phase 1A that were applied to Mohale resettlement were especially important. One was a decision to allow individual households and communities requiring resettlement to either remain within the Mohale reservoir basin or to move to any preferred locale within Lesotho. That would remove some pressure from a project-reduced natural resource base. It would also give resettling households the opportunity to seek a wider range of development opportunities.

The second major decision was to contract only one consultant to map lost and remaining household resources and to plan for their replacement through an integrated compensation and development program. The firm picked was Hunting-Consult 4 Joint Venture which prepared under Contract 1012 the Resettlement and Development Study that was incorporated within the Environmental Action Plan.¹⁵ An important recommendation was that all 168 Stage 3 households should have the option of resettlement. That was a recommendation that the POE fully endorsed since those households that opted for resettlement not only would have a greater range of opportunities, but - of special importance - their departure from the Mohale local catchment would reduce the pressure on the host

¹⁵ Generally speaking the Contract 1012 reports were state of the art with one serious exception. While the development planning for the minority who wished to remain within the Mohale local catchment was well thought-out, the planning for the majority who wished to leave the basin was inadequate.

population's use of the remaining resources. That was an argument that the Panel made in a series of reports between 1997 and 1999. Special emphasis was paid to those losing over 50 percent of their land. The rich alluvial soils lost to the Mohale reservoir were literally some of the most fertile land in Lesotho. Even loss of fewer than 50 percent might increase poverty especially where household access is limited to a single field.

If most Stage 3 families remain in the Mohale local catchment, I predict that rather than having their living standards restored, the majority will find themselves further impoverished by the project. Increased impoverishment is already apparent in regard to those Stage 1 households that opted to resettle within the local catchment in Ha Koporale Village. During the Panel's April 2001 visit there we interviewed seven Stage 1 resettling households. On arrival, all were told that no fields were available for them and none had in fact found any fields. Land for gardens was also scarce with only two of the seven starting small vegetable gardens along the creek below the village. Though some host households were willing to lease out fields and take on sharecroppers, the supply of fields was limited and their use by resettlers would further reduce arable land available for sharecropping by landless host households.



Herd boys in the Highlands above the Mohale reservoir.

On the other hand, activities required for restoration of living standards were increasing. In the mountains, most impressive was the production of seed potatoes with annual production rising to 220 tons in 2002 and storage facilities with a 300-ton capacity nearing completion. Plans for 2003 were for double cropping to produce two 300-ton crops. Stage 1 and Stage 2 households that had resettled in the lowlands and the foothills were participating with host villagers in crop and poultry cooperatives. LHDA had finally allocated funds to the Matela Farmers Training Centre that had begun offering courses to both resettlers and hosts. ESSG field personnel had also arranged for a lowland poultry -slaughtering cooperative to market resettler and host chickens. Community formation was also underway. In Makotoko, whose water supply problems had finally been solved, 37 Stage 1 and 2 households had begun to integrate with their hosts, with one host family moving into the resettlement community and others expected to follow.

New issues, however, continued to arise, including one in 1999 that threatened the entire Mohale resettlement program. It concerned the general topic of host-resettler relationships that is a delicate one with all types of resettlement that requires sensitive handling. It also involved two powerful politicians who brought to bare on the project personal and political agendas irrelevant to, and disruptive of, the resettlement process – hence illustrating the type of unexpected, yet expectable, events that can threaten resettlement and development outcomes.

The largest Stage 1 resettlement from the Mohale basin to the lowlands involved 22 households relocated to form a planned community on the outskirts of Maseru. While the project authority had legally acquired that land from the Lesotho Housing Corporation, it did not discuss the intended resettlement with the adjacent host community of Makhoakhoeng, nor with the community's most important resident. At the time, this was the Minister of Foreign Affairs who was one of Lesotho's most powerful politicians as well as the surrounding area's representative to parliament. To make the situation still more complicated his large

house with ample grounds was not only next to the resettled community but was burnt to the ground during the political disturbances that swept the country in 1998.

Capitalizing on host community feelings that the Housing Corporation had improperly acquired the resettlement site at an earlier date, the Minister encouraged hostility toward the resettlers as soon as they arrived. Though Makhoakhoeng was not a rural community, he also influenced the local chief to claim the same benefits that were given to rural host communities in return for their willingness to share their land, grazing and other natural resources



with resettlers. While the project authority had already upgraded the road serving both hosts and resettlers and provided a piped water supply, demands for further benefits and harassment and intimidation increased after the resettlers' arrival in 1999. Not only were their children harassed and chased, but use of the neighborhood burial ground was refused when the first resettler died that year. The situation worsened in November 2000 when the Minister of Natural Resources, for unexplained reasons, told the 22 households that they must resettle a second time to an undesignated site. As harassment increased including house break-ins, the community became divided between those who agreed

Anna Moepi, one of the resettlees, at her mother's grave. After she had been denied a burial site for the deceased, the mother was finally buried in a residential site.

to a second resettlement and those, apparently the majority, who did not.

As the dispute intensified so too did its implications for the credibility of the Lesotho Highlands Development Authority, which felt that resolution of the dispute, required a solution at the level of the Prime Minister and his cabinet. The Panel and the World Bank were both drawn into the dispute with the Panel labeling a second resettlement “unnecessary, unacceptable, and undesirable” in its November 2000 report. Two months later the World Bank went on record against a second resettlement that would be out of compliance with its resettlement guidelines. The Bank also sent a special mission to Lesotho during 2001 in an effort to meet with the Ministers of Foreign Affairs and Natural Resources – both of whom were ‘unavailable.’

Repercussions also placed the rest of the Mohale resettlement program in jeopardy with families still to move, and the participatory committees set up under Contract 1012’s People’s Involvement Programme, refusing further cooperation with the project authorities. Local NGOs were becoming increasingly concerned, with that concern spreading quickly to international NGOs. In their 2001 critique of the Highlands Water Project, the International Rivers Network referred to local sources that claimed those who had already been resettled under Stage 1 had told those still to resettle under Stage 2 not to move until the project authorities had implemented all their resettlement responsibilities. The International Rivers Network also quoted the same local NGO as stating that resettler community members were now unanimously opposed to a second resettlement with a community representative stating that if the community cannot “stay in peace, LHDA will never ever resettle anyone in this area” (Hoover 2001: 22). Uncertainty continued until the end of 2002 when the Cabinet passed a resolution disallowing further resettlement of the Makhoakhoeng community. The damage had been done, however, with the World Bank reporting in late October 2002 concern about rumors still circulating about the possibility of further removal.

Since the closure of the Mohale Dam in October 2002 the ability of the World Bank to influence events has weakened. Too many compensation inadequacies have continued that were dealt with in detail in the August 2003 report of the Ombudsman. The position of Ombudsman, to be appointed by the King on the advice of the Prime Minister, is a requirement of the Lesotho Constitution. During December 2002 and January 2003 the Ombudsman received numerous written complaints from project-affected people that he decided warranted a formal enquiry. The largest number of complaints was about compensation issues including delayed payment, general inadequacy of payment, non-payment for loss of communal assets, compensation for household gardens and fields, and the minimum threshold allowance. But complaints were also received concerning failure on the part of the project authorities to provide access roads, water supplies, health facilities and schools.

The Ombudsman's main conclusion was that prompt payment of full compensation as required by law had not been paid, with LHDA conceding that "it had failed to make prompt payment in many, if not all, cases because of its own internal problems" (Government of Lesotho 2003, p54). Moreover, though the Ombudsman concluded that a small minority of people had tried to defraud LHDA (eight were mentioned by name), "the inquiry concludes that on the whole the complainants have proved their case against LHDA" (p56).

Summary

As previously mentioned, how LHWP social issues have been dealt with place LHWP in the top 25 percent of dam projects involving resettlement. Nonetheless, impacts to date on resettlers and other affected people are unsatisfactory. Among other conclusions, the LHWP case study shows why it is essential for resettlement policies to stress improvement as opposed to restoration of living standards and for project authorities to have the political will and the capacity adequately to plan, fund and especially implement and monitor those plans.

The range of problems also raise the legitimate question as to whether the implementation issues associated with large dams in small countries like Lesotho are just too complex for realizing outcomes for affected people that are equitable and sustainable environmentally, economically, institutionally and culturally.

Is such an outcome favorable to resettlers and other project affected people possible in Lesotho? For many, including the majority of the 152,000 affected by reduced downstream flows, the most likely answer is 'no'. Although significant, at least their losses do not include arable land and grazing. For the majority affected by the 'Muela Project the most likely answer is "yes." With no households forced to move and loss of land affecting about 25 percent of a population of about 400 households, the majority can expect to benefit from improved roads and water and sanitation services. More accessible to tourists and day visitors from Lesotho's lowland cities and towns, they can also expect to benefit from visitors to the 'Muela dam, reservoir, and visitor center as well as to two reserves in which surrounding communities have a degree of ownership. For the majority affected by the Katse and Mohale dams, the verdict remains in doubt. That is especially the case for the over 700 Katse and Mohale households that will have lost over 50 percent of their fields and for Katse and Mohale households dependent on sharecropping, the majority of whom I suspect will be unable to restore their living standards. In that case, LHWP resettlement will be out of compliance with the 1986 Treaty and should be rated as unsatisfactory in the World Bank's Project Completion Report.

References

Downing, Theodore E.
2002 "Creating poverty: the flawed economic logic of the World Bank's revised involuntary resettlement policy." *Forced Migration Review*. 12 (February), pp13-14.

Gill, Stephen J.

1993 *A Short History of Lesotho From the Late Stone Age Until the 1993 Elections*. Morija, Lesotho: Morija Museum & Archives.

Hoover, Ryan

2001 *Pipe Dreams: The World Bank's Failed Efforts to Restore Lives and Livelihoods of Dam-Affected People in Lesotho*. Berkeley: International Rivers Network.

Hunting – Consult 4 Joint Venture

1997 *Synopsis of Studies*.

Lesotho, Government of.

2003 Report of the Ombudsman on the Lesotho Highlands Water Project. Maseru.

Lesotho Highlands Development Authority (LHDA)

1990 Phase 1A Compensation Plan. Maseru: LHDA.

1997 *Environmental Action Plan* and especially Volume 3 *Resettlement and Development Action Plan*. Maseru: LHDA.

LHDA POE

1989 First Report of the Panel of Experts on Environmental Issues, February.

1990 Report of the Panel of Environmental Experts, March.

1991 Report of the Panel of Environmental Experts, August.

1992 Report of the Panel of Environmental Experts, August.

1994 Report of the Panel of Environmental Experts, August.

1995 Report of the Panel of Environmental Experts, April.

1995 Report of the Panel of Environmental Experts, December.

1996 Report of the Panel of Environmental Experts, November.

1997 Report of the Panel of Environmental Experts, July.

1998 Report of the Panel of Environmental Experts, March.

1999 Report of the Panel of Environmental Experts, March.

2000 Report of the Panel of Environmental Experts, April.

- 2000 Report of the Panel of Environmental Experts, November.
2002 Report of the Panel of Environmental Experts, April.

Lesotho Highlands Water Commission

- 1992 Communication from the LHWC Secretariat to LHDA.

Lesotho Highlands Water Project (LHWP)

- 1986 Treaty on the Lesotho Highlands Water Project between the Government of the Republic of South Africa and the Government of the Kingdom of Lesotho. Signed 24 October.

METSI Consultants

- 2000 *Consulting services for the establishment and monitoring of the instream flow requirements for river courses downstream of Lesotho Highlands Water Project dams*. Final Report. Maseru: Lesotho Highlands Water Project.

Picciotto, Robert, van Wicklin, Warren, and Edward Rice (eds.)

- 2001 *Involuntary Resettlement: Comparative Perspectives*. World Bank Series on Evaluation and Development. Volume 2. New Brunswick: Transaction Publishers.

Scudder, Thayer

- 2005 *The Future of Large Dams: Dealing with social, environmental, institutional and political costs*. London: Earthscan.

Sechaba Consultants

- 2000 *Poverty and Livelihood in Lesotho, 2000: More than a Mapping Exercise*. Maseru: Sechaba Consultants.

World Bank

- 1994 *Resettlement and Development: The Bankwide Review of Projects Involving Involuntary Resettlement 1986-1993*. Environment Department. Washington, D.C: The World Bank.
2001 *Involuntary Resettlement: Comparative Perspectives*. OP 4.12. Washington, D.C: The World Bank.

- 2004 Lesotho Highlands Water Project. Aide-Memoire. September. Washington, D.C.: The World Bank.
- 2005 Lesotho Highlands Water Project. Aide-Memoire. April. Washington, D.C.: The World Bank.
- 2005 Lesotho Highlands Water Project. Aide-Memoire. September. Washington, D.C.: The World Bank.

World Commission on Dams

- 2000 *Dams and Development: A New Framework for Decision-Making*. The Report of the World Commission on Dams. London: Earthscan.

SECTION 2: BACKGROUND ON PUBLIC PARTICIPATION

The period immediately before and after the signing of the treaty was, especially with regards to Lesotho, characterized by information blackout and lack of grassroots' participation. From 1986 throughout 1987, the debate (if any), on the treaty was conducted behind closed doors as though the treaty was top secret...the situation in which lack of information and denial of democratic participation were the order of the day...(Tumelo Tsikoane, 1990:121)

4. Participation of Different Publics

Mabusetsa Lenka Thamae

TRC's interpretation of a public participation process is not based on a theory of public participation as an academic subject, but as a lived experience. Public participation has come to mean involving communities in every step of the way on all issues that affect them. We agree. But for us there is something that comes before the communities could participate in anything. We need to understand that community, to understand their fears and worries, happiness and their culture. Those who want to be community workers or field workers should live in the villages designated for development for at least six months. This is to help understand them, because if this is not done public participation will not happen. Understanding the communities' ways of life is not enough. It is necessary to acknowledge that as community workers we do not possess the whole wisdom. As a matter of fact, there is a Sesotho adage that says that '*wisdom does not reside in one place*'. It is therefore important to identify talent within the community leadership; if this does not happen, community participation will be difficult. Public participation is not about numbers of people present; it is about how people participate, what people have said, whether their concerns

have been taken into account. We talk of the participation of all different sections that form that community; we talk of the aged, the disabled, the youth, children, people suffering from particular diseases and others. It is in this sense that we are talking about participation of different publics in a particular development.

In their book, *Training for Transformation*, authors Hope and Timmel (1984:03) emphasize the importance of participation thus: Participation means dialogue. “Dialogue is based on people sharing their own perceptions of a problem, offering their opinions and ideas, and having the opportunity to make decisions or recommendations”.

Public participation is a process of engaging communities, informing, involving, and making them aware of their rights in connection to the Project. It means participation of all potential stakeholders who may have an interest in the project, whether directly or indirectly. There are different publics, different groups of people who may be interested in a proposed project. All these publics must by right participate in the decision that affects them. We have come to learn that public participation should be facilitated by the presence of a democratic culture. There are now many grievances coming from the communities which ought to have been anticipated and put right, if Lesotho had been a democratic state when the LHWP Treaty was concluded between the governments of Lesotho and the Republic of South Africa. The then military government in Lesotho and the Apartheid South Africa did not create a conducive atmosphere for soliciting public opinion and meaningful participation in the LHDA compensation policy.

Lessons Learned:

LHDA had what was called a community participation office, which was really doing office work rather than community work in the field. LHDA should have offices in the field, close to the communities. This would have made it easier to respond on the spot to the many grievances and concerns from the communities. The

absence of offices has resulted in community members going in their hundreds to LHDA offices; this did not only show the inefficiency of LHDA but it was embarrassing as well to see so many people around the offices. The LHDA participation office set up community committees to make work easier. The community liaison committees (CLAs), as they were called, were supposed to take concerns of the communities to LHDA and to get responses back to the communities. While this was not a totally bad idea, it came as a surprise to TRC field workers that the issues taken up by the community representatives were often at variance with those of the larger community. We were not sure if the small fee that was paid as a sitting allowance to these representatives did any thing to shift their loyalty from the communities to LHDA. LHDA or any authority dealing with communities should have a close supervision and monitoring of these community representatives. The authorities must go to the villages to check if the committees do the work for which they were established.

This office should really use participatory methods to capture the concerns. The approach should equally be a respecting one because if communities have a feeling that they are not respected, they will not cooperate as is required.

Our experience has also been that it is not enough to just go to the communities once or three times and claim that results have been forthcoming; it must be a patient, deliberate engagement.

TRC conducted a series of interviews on how communities felt about participation of different publics. Below is a summary of what communities themselves said about participation. They said to participate meaningfully on the issues that affect means the following:

1. Communities should know the full consequences for agreeing to something; to be able to do that they should be empowered and provided with trainings.

2. There must be a mutual agreement and both sides should adhere to agreements.
3. To say communities have participated in these big projects, agreements should be binding, that is, there must be laws which support these agreements so that everyone should follow.
4. The communities must be aware of the legitimate compensation policy which parties have agreed to use and to follow.
5. Communities should be empowered to understand the dynamics and politics of water and how this will impact on their lives. This includes agreements and treaties that government enter into in the water resources.
6. There must be a law that regulates development in the affected areas.
7. An independent tribunal should be set up to interpret the compensation policy. This Ombudsman type of arrangement should exist between the LHDA and the communities.

References

Hope, A& Timmel, S. 1984. **Training for Transformation**. Book 1, Nottingham: Russell Press.

Tsikoane,T. 1991. Towards a Redefined role of the Lesotho Highlands Water Project in the Post Apartheid South Africa. In: Santho, S, and Sejanamane, M. **Southern Africa After Apartheid**. Harare: Mazonkororo Paper Converters.

5. TRC's Monitoring Role: Why We do what We do

Mabusetsa Lenka Thamae

Transformation Resource Centre's Lesotho Highlands Water Project (LHWP) monitors social and environmental impacts of the Lesotho Highlands Water Project. TRC became involved with advocacy and lobbying to help communities to defend their rights and to be empowered to take up their own issues. TRC works to raise the awareness of people affected by the Highlands Water Project on their rights vis-a-vis the Project and to empower them to lobby and to advocate for these rights themselves. TRC monitors the implementation of the Project by the LHDA, as stated in the Treaty and other agreements. The monitoring extends also to compensation, resettlement and development issues.

We start from the premise that central to advocacy work and lobbying is the human person and personality in general. Advocacy is directly linked to social issues and social problems; it is directed at changing the status quo. If we do not get a result, what we want, advocacy has not happened. What we want, cannot be achieved if we are not masters in understanding how human beings behave and why they behave in that particular way; that is, understanding what they do, and how they do their business.

The aim of advocacy is to emancipate and to improve the human lot. Advocacy happens around the burning issues of the community; what they feel strongest about. Advocacy cannot happen if there is nothing that worries or affects people negatively. This is the key. People must want to change their situation because they feel their rights are being violated.



At a public gathering (pitso) in Metolong, the proposed site for a new dam in Lesotho.

Advocacy is about human rights; it is a fighting for the course of the people. It happens between the powerful and the less powerful sections of society. What is important is tact as one applies the skills one has in advocating for the powerless.

This brings us to the question of **knowledge**, which is important in advocacy. Knowledge of the material one is dealing with is important. If one is knowledgeable he or she is respected; people do not easily look down upon such an individual; an individual with knowledge does not hesitate to provide answers or solutions to the problems that the community encounters.

Another important tool for the success of advocacy is the **perceptions** that communities have about the advocator. Communities act on perceptions; this is how they form their world. If communities have a feeling that the advocator is pursuing a particular course, they normally shut off their ears. If the advocator is

identified with, for example, a negative thing, they normally do not listen to such an advocate. The advocate should therefore be an upright individual, a man or woman of integrity. As an advocate your claims must be based on sound evidence. Integrity may also mean your personality, how you conduct yourself, self-respect. To illustrate the first point an example follows: In 2003, the office of the Ombudsman conducted public hearings for the communities affected by the Lesotho Highlands Water Project. At these public hearings TRC made a presentation, which was viewed as valid because of the well-researched paper, seasoned with eloquence. LHDA officials could not counter or dispute TRC findings. Knowledge and research are very important aspects of advocacy.

Advocacy within communities means identifying the talents that are within the community leadership. As an advocate, you may not have skills to effect changes, or you may not effect a change of behavior because you are not known. (They say the devil you know is better than an angel you do not know). People with knowledge and influence within the community can either be your allies or your enemies. If they are not involved, you will see the results, when for example, the community refuses to do what they had agreed to do. We are here at the heart of advocacy work. All of us want to be honored, loved, recognized and respected. You may be insulting someone's intelligence if you do not recognize that an individual is a person of worth. Criticizing people openly is a dangerous game, even when criticism is merely suggestive. The ego that is in us tells us that we are important; anything short of this is disastrous.

Advocacy cannot happen if you do not have power. Consent is generated by power. High power usually involves knowledge, fame, status, education and training in the academic sense. Low power involves smart dressing, carefulness in speech, even how you walk generates power, physical appearance, tone of the language. All these elicit consent. You feel you have to obey or cooperate.

Silent advocacy:

This may have two aspects. Silent advocacy is something we do every day, without consciously giving it a thought that we are doing it. In order for silent advocacy to produce results, an advocator has to live permanently within the community he is working with. Spending time with the communities that we have worked with for so many years has made them not to look at us as if we are strangers. We became part of what the community transmitted and received. We were able to interact very well with the communities we worked with. When we are thus assimilated, silent advocacy works. Communities will feel that we are part of them, and they will readily listen to us. Silent advocacy happens in a manner that the advocator is able to pick up messages, some of which may be non-verbal. The non-verbal messages are the strongest as they illicit powerful responses that may be manifested through non-action on the part of the community. Silent advocacy is not easily noticeable. It takes maximum patience to be aware of it. It happens within the culture of the people. The advocator goes to the funerals together with community; he or she participates fully in the activities of the community. The advocator tries to know what the community does or does not want.

Advocacy is a rough territory. We therefore acknowledge that we had incidences where our messages as TRC field workers did not produce results. An example of our failure bears testimony of what we are saying. The community of Ha Ntsi had a grievance that LHDA did not rebuild all of their houses, and that they had negotiated with the Southern Sky company to dig the quarry nearby. The community had tried all they could to make sure that their grievances were heard, but to no avail. They decided to take the grievances to court, making prayers that the High court should stop the Southern Sky Company from digging the quarry. We at TRC had advised the Ha Ntsi community not to opt for legal action, because a legal action is a probability game, you either win or lose. We had advised them to take their concerns to the Ombudsman instead. In

their wisdom the community ultimately went to court where they lost on a technicality. One of the principles of advocacy is that the advocator should advise, but should still leave room for communities to do what they feel best. The community of Ha Ntsi through its leadership felt strong that they needed to go to court. What had happened here? Did the TRC field workers fail because they failed to convince the Ha Ntsi community not to go to court? The answer is Yes. This failure lies squarely on the shoulders of TRC field workers. If we had perhaps spent sufficient and maximum time with the community of Ha Ntsi, we would have been able to pick up “messages” around the issues they were concerned about? We were not permanently with the community. We would have been able, perhaps to discover that it was the chief of Ha Ntsi who was interested in going to court, and we would have been able to redirect the community against such a move. We would have again been able to find out the passion for going to court, and find out other attendants responsible for the community action.

6. Public Participation in Environmental Decision-Making

Tisha Greyling

Editor's Note: *The lack of public participation in the LHWP was unacceptable given its known importance to having a successful development project. This essay, by a specialist in Public Participation during Environmental Impact Assessments, describes why public participation is important.*



Tisha Greyling

Worldwide, public participation has for many decades been widely acknowledged as a potential or partial solution to environmental and policy problems and decision-making. But which stakeholders to involve in which way, when, and to what degree, is always a challenge. Every year, these issues are still debated by public participation practitioners from across the globe at the annual conference of the International Association for Public Participation (IAP2).

Environmental problems and solutions demand difficult choices of society, particularly rooted in the trade-offs between economic growth, social equity and environmental integrity. Resource management issues are complex and involve many different kinds of stakeholders, each with their own values and views. Usually, decisions are based on large amounts of complex technical information, and sometimes, specialists disagree with each other on the findings of their assessments. In addition, specialists and lay people do not have the same views on things. Research shows that public perception of probabilities and risks differ considerably from professional analysis. Whereas waste exported to a small community may minimize the overall public risk, it is not likely to be acceptable to the host community.

Coupled with this are misconceptions among stakeholders, project proponents, the authorities and technical specialists about what public participation is and should produce, the fears and perceptions of losing control, the results of previously inadequate processes and lay people's pervasive mistrust in technology and in the authorities. Public participation is no silver bullet. It will not make these challenges go away magically. Rather, for it to be successful, the process must be designed with these challenges in mind.

How to view public participation:

A good public participation process can add tremendous value and has many benefits for the developer, for decision-makers and civil society alike. Public participation, when conducted appropriately, can be viewed as a process leading to a joint effort between:

- interested and/or affected parties
- the developers
- government decision-makers and
- the technical specialists

that make better decisions than each of them would have been able to do independently.

Why do public participation?

Most countries nowadays have constitutions or laws that include the requirement for public participation. A good place to look up these requirements for SADC countries is on the Calabash Project Website of the Southern African Institute for Environmental Assessment Website (www.saie.com - click on Calabash).

In addition, international financiers and donors often have requirements for public participation over and above the requirements in the laws of individual countries. As such, the World Bank and its private investment arm, the International Finance Corporation (IFC), have developed Operational Directives and Safeguard Policies which include the requirement for public

participation. Furthermore, most of the world's major banks are signatories to the Equator Principles, derived from the IFC's applicable Safeguard policies, which require public participation.

The IFC and Equator Principles require that a Public Consultation and Disclosure Plan (PCDP) be prepared early in the EIA process. An outline of a PCDP is available on www.worldbank.org. The IFC expects that such a plan will also describe ongoing engagement with stakeholders, both during project development and during operations and closure.

However, the best reason for doing public participation is because of the benefits it brings. In its submission to the World Summit on Sustainable Development in 2002, the International Association for Public Participation stated the benefits of public participation as below.

The essence of public participation is to begin a participatory process before disputes arise. In this way, public participation :

1. Builds public understanding of the need for a proposed policy, program, plan or project and leads to better and more durable decisions
2. Creates trust in decision-makers and their processes, leading to stable policies and enduring decisions.
3. Provides an early warning of issues that require mitigation
4. Builds public ownership and a stronger stake in initiatives leading to participants carrying out their responsibilities during implementation – they do not want to be seen letting their co-participants down.
5. Identifies local customs or institutions that could be barriers to implementation, with opportunities to adapt the activity before implementation begins.
6. Creates opportunities for stakeholders to discuss their differences directly, often leading to creative new solutions.

7. Manages single-issue viewpoints through an interactive process which allows a broad range of balancing perspectives and values.
8. Enriches decision-making through a diversity of opinion and the local and traditional knowledge and collective wisdom of a range of stakeholders.
9. Builds 'legitimacy' for decisions that allows them to withstand changes in government or company policy and leadership.

Some practical guidance:

Whereas the Equator Principles and the IFC do not provide practical guidance for consultation, the International Association for Public Participation (IAP2), established in 1990 to further the practice of public participation world wide, does so. IAP2 views public participation as any process that engages the public in making a decision or uses public input to make a good decision. IAP2 training courses on good public participation are available in English, Spanish and French (see www.iap2.org).

IAP2 says that it is important to define and agree on the objectives of the public participation process in advance. One of the fundamental reasons that processes go wrong worldwide is because of a mismatch in expectations of the objectives of the process between the different players in the process. For this reason, IAP2 has developed a Spectrum of Public Participation, with different objectives for different levels of the Spectrum: inform, consult, involve, collaborate and empower (invest with legal power).

At each level, the level of public influence on the decision increases. Typically, the more sensitive people are about a proposed project, and in particular large infrastructure projects, the more opportunity they want to have to influence the decision. IAP2 advises that developers agree before the start of a process to promise the public a

certain degree of public influence on the decision. This helps avoid the risk of mistrust and process delays.

IAP2 has developed, with international participation, a set of core values for public participation, representing best practice. For example, the public participation process:

- *Seeks out and facilitates the involvement of those potentially affected and interested.* Proactive identification of such people and personal contact with affected people works best.
- *Involves participants in defining how they participate.* Either interview and ask people about how they prefer to be involved, or as a minimum allow people to comment on the proposed process methodologies.

Provides participants with the information they need to participate in a meaningful way. Information has to be accessible in terms of language and style, available as a mix of written, verbal and visual information, has to cover both content and process information, and should help build people's capacity to participate. Communicates the interests and meets the process needs of participants. This includes enough time, advance information, and several rounds of opportunities to learn and contribute during the process. Communicates to participants how their input affected the decision. In this regard, Issues and Response Reports, reflecting every issue raised and a response to the issue, is very valuable. ***Public participation resources:***

Two excellent websites for public participation resources are the following:

www.saiea.com, click on Calabash

www.iap2.org – look for the IAP2 Spectrum, Code of Ethics for the Public Participation Practitioner, Toolkit of public participation methodologies, Core Values and training courses.

References

Greyling, T. 2004. Guide to Public Participation in environmental authorization: Theory and Practice. Golder Associates Africa, Midrand, South Africa.

There is nothing worse than working hard at something and then having something come and destroy it. We were satisfied with the way we were working. We were sowing maize and beans. We were eating fresh maize. We had trees. We had firewood, and people were buying it from us. We were getting money, and we were able to go to school. When LHDA came and destroyed everything that was important to my family, we started to become poor. The dam took our fields and our trees. That was the end of our money. We needed to look hard to find enough money for us to attend school...now, when I look at the dam, I still get very angry.

Mpho Sepinare, Primary School, Standard 7

7. World Commission on Dams: A People-Centred Approach

Liane

The World Commission on Dams (WCD) is a path-breaking report that recommends taking decision-making to the people. By "the people", is meant, *“those whose livelihoods, human rights, property and resources are affected by dam projects and those who bear the social and environmental costs and high risks of large dams--the society’s most vulnerable marginalized groups.”*



Liane Greeff

The WCD report is based on widely accepted core values of equity, efficiency, participatory decision-making, sustainability and accountability. The report has established guidelines that offer to dam-affected communities greater rights, and it ensures that risks to those communities are thoroughly assessed. It states clearly that

affected communities must be among the first beneficiaries of dam projects.

The WCD has made many findings, which also apply to our dam project here in Lesotho. Among many of these findings, the WCD concludes that:

- Dams have displaced millions of people.
- Large numbers of resettlers have not had their livelihoods restored, resulting in widespread impoverishment of dam-affected people
- Large dams cause great environmental damage, including the extinction of many fish and other aquatic species, huge losses of forests, shrub lands, wetlands and farm land.
- Large dams have had significant adverse effects on cultural heritage.
- Lack of legal frameworks to enforce compliance contributed to the impacts of displacement going unmitigated.
- The benefits of large dams have largely gone to the already well off while poorer sectors of society have borne the costs. Professor Kader Asmal once said, “*all too often benefits go to those seated around the table while the costs are borne by those locked outside the room.*” Kader Asmal was the Chair of the WCD, from the Republic of South Africa; he was also the minister of Water Affairs and Forestry in the South African government.
- Most development decisions involving displacement are made without a full assessment of social impacts.
- Most decisions to build dams are taken without a thorough assessment of best options for meeting the need (whether it be for water or energy).

Among the WCD recommendations are the following:

- No dam should be built without the “consent” or acceptance of the affected people.

- Periodic participatory reviews should be done for existing dams to assess issues including dam safety and the possibility of dam decommissioning.
- Mechanisms should be developed to provide social reparations for those who are suffering the impacts of dams, and to restore damaged ecosystems.

For developers and other non-governmental organizations that find themselves working in the water sector, on large dams and other big projects, the declaration made through the voices of the Affected Communities in Cape Town in November 1999, might also offer lessons for such future development projects.

7.1. Declaration of the Affected Communities

The history of large dams and affected communities in Southern Africa has been one of broken promises and incalculable losses:

- We lost our livelihoods and cannot regain them;
- Our land where we grew food was taken from us and not replaced;
- Our homes were demolished or drowned;
- Our livestock were taken from us;
- We lost control of our natural resources;
- Our cultural values, functions and roots have been destroyed;
- Our ancestors' graves have been buried under deep water, and
- The lives of some of our community and family members were violently taken from us.

Large dams have also caused:

- A decrease in our standard of living,
- A decrease in our level of health,
- Costs for resources we previously used freely,

- Increases in HIV/AIDS, crime and other urban problems, and
- Conflicts in our communities where there once were none.

In our experience, the history of large dams is one of broken promises. Large dams have been built:

- With inadequate community participation,
- With too few jobs going to local people,
- With inadequate education and information dissemination, and,
- With inadequate compensation and resettlement resources, especially land.

We have been forced to move against our will without knowing when or where we would be going, and without a way for our concerns or objections to be heard.

We have not been treated with dignity, or with respect for our customs, our ancestors or our children. We have shouldered the burden of large dams, but we have enjoyed very few of the benefits. In short, large dams have been devastating to many of our communities. To ensure that these past injustices are rectified we urge the following:

- Claims of past injustices should be addressed by Human Rights Commissions where applicable;
- Governments should compensate us for outstanding losses and damages caused by large dams;
- The issue of compensation and reparations for outstanding losses and damages must be addressed by governments, the Commonwealth and the Queen of England for Kariba Dam injustices; and
- An independent institution should be created to address all outstanding claims and broken promises.

To ensure that in the future, communities are treated in a just, equitable and dignified manner we make the following requests:

- Dams must be seen as a means to development, not an end in themselves.
- Affected communities must be allowed to participate as equal partners in the process. This means the following:
- Communities become “shareholders” of dam projects, resulting in benefits accruing directly to communities through such mechanisms as trust funds;
- Communities, including end-user communities, are involved in the decision-making process before the decision to build has been made;
- A process is established to facilitate negotiated agreements on key aspects of projects, including compensation, resettlement and benefit sharing.

In order to facilitate effective participation of communities in the decision-making and implementation process, and to increase openness and transparency, the following must be done:

- Empower communities, including informing them of their rights;
- Increase the involvement of local and international NGOs and the Media;
- Facilitate the development of community committees;
- Strengthen other existing locally based structures;
- Provide capacity building and training programs, including those related to home construction;
- Make available to the public all project documents, including budgets; and
- Provide funds for community and NGO participation.

In order to ensure that projects are implemented properly and promises are not broken, Government, project authorities and other

project developers must take responsibility and enter into binding and enforceable contracts for compensation and resettlement programs. These contracts must be properly negotiated and agreed upon with affected communities.

Resettlement and compensation issues must be resolved to the satisfaction of communities before construction begins. For ongoing commitment of government, project authorities and other project developers, milestones of progress must be established and sanctions imposed if not met. As long as they continue to stand, dams must be monitored, including dam safety and impacts on community health and sanitation.

Communities must be treated with dignity and respect in the resettlement and compensation process:

- A rigorous and thorough social and environmental impact assessment must be done.
- Families must be kept together.
- Ancestors' graves must be moved with families.
- Facilities such as health and education must be in place before resettlement begins.
- Land of suitable quality and quantity must be made available.
- Compensation must be adequate and fair, and be based on the concept of a "structure for structure."
- Institutions and processes for making and addressing claims must be created, and community representatives must be part of these institutions.

On the broader level, communities request the following:

- International law must be created to enforce just compensation, resettlement and benefit sharing.
- An independent body must be created to address future ongoing and future dam issues.

- A moratorium on new dams should be instituted until the World Commission on Dams has published its findings, criteria and standards.

Our lives in the new location leave a lot to be desired: our lives are deteriorating day by day. The host community at Matala does not accept us. They have, on a number of times expelled us from using community graveyard in this place, which is not a good thing to do.

Anna Moepi, Matala Community

8. Reviewing the Lesotho Highlands Water Project Against the Recommendations of the World Commission on Dams

Ryan Hoover

In an effort to prevent the permanent impoverishment of the people harmed by the construction of the LHWP, the governments of South Africa and Lesotho promised in the project treaty that affected people will be enabled to maintain a standard of living not inferior to that obtaining at the time of first disturbance. Evidence suggests that standards of living for the majority of project-affected people have in fact declined.



Ryan Hoover

The project also poses serious threats to Lesotho's mountain river systems because of reduced flow rates and less-frequent floods. Several endangered plant and animal species in the Senqu River basin (known as the Orange River in South Africa) will be placed under severe strain and may entirely disappear from project areas.

Although the dam project was built before the World Commission on Dams released its recommendations for improving the planning and implementation of large dams, it is nonetheless instructive to review the LHWP against the WCD guidelines. In addition to each of these "lessons learned" from the WCD, it would be wise to apply the

WCD's approach and recommendations to any future expansion of water supply for the region.

WCD Recommendation on Sharing Benefits

The WCD notes that those who bear the social and environmental costs and risks of large dams are frequently not the same people who receive the social and economic benefits. It enjoins governments to give social and environmental aspects the same significance as technical, economic and financial factors in weighing whether or not to construct a dam.

Reality on the Ground

The LHWP has had an undeniably profound impact on Lesotho's economy. In 1998 it accounted for 13.6% of Lesotho's GDP. Royalties from the sale of water and project-related customs dues make up 27.8 percent of all government revenue. Yet, the country's poor have seen little of this economic boom. Lesotho still has one of the top ten greatest income disparities in the world, and household income figures for the LHWP northeastern mountain region fell 65 percent faster than the national average during the LHWP's initial years.

The Lesotho Highlands Water Revenue Fund (LHWRF) was intended to distribute the projects royalties to the nation's poorest. Instead, the World Bank was forced to restructure the LHWRF in part because corrupt local politicians were using the money to reward supporters of the ruling party.

WCD Recommendation on Meaningful Participation

The WCD stresses the necessity of meaningful participation of people whose livelihoods, human rights, and property and resource rights may be affected by dams. It calls for negotiations in which

stakeholders have an equal opportunity to influence decisions from the outset of the planning process.

Reality on the Ground

Participation by affected communities has been minimal. Affected people have had no forum to effectively negotiate how the projects dams would impact them, let alone influence the decision to build them. In late 1999 agents of Lesotho's National Security Service confiscated materials about the WCD from a man affected by the LHWP after he returned from NGO-sponsored regional hearings for the WCD. In Lesotho, security agents routinely attend community meetings on the LHWP, inhibiting meaningful participation.

WCD Recommendation on Resettlement

The report states, "Special attention is necessary to ensure that compensation and development measures are in place well in advance of resettlement." It also notes that a clear agreement with the affected people on the sequence and stages of resettlement will be required before construction on any project preparatory work begins.

Reality on the Ground

Resettlement, traumatic even under the best of circumstances, has been unnecessarily stressful for LHWP-affected people. They received no compensation prior to displacement, despite the fact that World Bank policy requires it. They have been resettled to places without safe drinking water and, in some cases, have faced overt hostility from host communities. Many have also not yet received the promised skills-training intended to restore their livelihoods.

LHWP-affected people have suffered for not having the opportunity to negotiate binding performance contracts (another WCD recommendation). Had they been in place, resettlement sites would have been ready for habitation before people were moved.

Compensation would have been paid promptly and fully. And the project authorities promises of development would either have been fulfilled or not committed to in the first place.

WCD Recommendation on Downstream Considerations

The WCD states that dams should provide for an environmental flow release to meet specific downstream ecosystem and livelihood objectives. It further states that a basin-wide understanding of the ecosystems functions, values and requirements, and how community livelihoods depend on and influence them, is required before decisions on development options are made.

Reality on the Ground

The LHWP was begun without such a study. Belatedly, the governments of Lesotho and South Africa commissioned an Instream Flow Requirement (IFR) study to assess the impacts of the LHWP dams (present and future) on downstream communities and ecosystems. The study found that continuing with the project as proposed will reduce Lesotho's river systems to something akin to wastewater drains. The study states that the construction of the next LHWP dam would reduce the amount of water flowing into South Africa by 57 percent but since it is restricted to studying impacts only in Lesotho proper, it does not detail what harm this will cause.

WCD Recommendation on Increasing Efficiency

The WCD states that "a priority should be to improve existing systems before building new supply, [and] that demand-side options should be given the same significance as supply options."

Reality on the Ground

The continuation of the LHWP to meet South Africa's water needs was done prematurely, before water conservation measures were

tried. When the projects second dam was being considered, Gauteng's water utility, Rand Water, suggested that the project could be delayed as much as 17–20 years if system efficiency was increased through the use of demand–side management (DSM). At that time, the World Bank did not have staff who specialized in DSM, and was eager to keep the project moving. As a result, the Bank decided to continue with the project without a thorough analysis of DSM or the possibility for a delay, arguing that the need for supply was inevitable and a delay would drive up construction costs.

As a result, the project's clean and expensive water has been used to re-start some dirty coal plants (which are high water users) in Gauteng,, but is unaffordable to South Africa's poorest. Residents of Johannesburg's townships, consumers of LHWP water, collect water from apartheid-era systems that waste up to 50 percent of water piped to them.

9. The Livelihood Patterns Of The People Relocated And Resettled From The Mohale Dam Area: Data Analysis And Interpretation

Sets'abi Sets'abi and Vusi Mashinini

Socio-Economic Lessons

The following chapter is reprinted from the study that was commissioned by Transformation Resource Centre in July 2005. The study reveals some of the salient points, which could indeed be picked up as lessons because there are recommendations made. The study emphasizes the importance of land and access to resources for communities to be able to live a life that is worth living.

Introduction

This chapter presents the major findings from the survey research undertaken from the resettlement areas of people who have been resettled and relocated from the Mohale Dam area. The findings are presented within a context of the livelihoods framework presented in Chapter 2. The central question is how are the resettled and relocated people from the Mohale Dam area making a living? To answer this question data was collected on the major facets of the livelihoods framework, namely, the five capital assets, the vulnerability context and the livelihood strategies. The objective was to collect data that would enable the researchers to evaluate as to whether the relocation process has left the populations better off or worse off in terms of livelihood outcomes. To achieve this objective, the chapter is sub-divided into five parts. The first part begins with a presentation of the major findings with respect to the household capital assets, then looks at the compensation packages and processes as experienced by the resettled and relocated populations. The third part of the chapter looks at the vulnerability context and livelihood outcomes.

The Household Asset Portfolios

As noted in the discussion in Chapter 2 on the livelihoods framework, the household asset portfolio comprises five major asset groups, namely, human capital, financial capital, physical capital, social capital and natural capital. It is through the management of this capital asset portfolio that households pursue their livelihood objectives and strive for sustainable livelihood outcomes.

Human Capital

Human capital refers to the skills, knowledge, ability to work and good health, that together enable people to pursue different livelihood strategies and achieve their livelihood objectives (DFID, 1999 – 2001). Within this context, data was collected on (i) household sizes, (ii) educational background; (iii) skills of heads of households; (iv) training opportunities provided by LHDA; (v) adequacy of the training opportunities provided by LHDA; and (vi) preferred training opportunities by the resettled households. Data was also collected on the major causes of illness and mortality among the resettled populations.

Household sizes

A total of 214 households were interviewed. The household sizes ranged from one person per household to 14 persons in a household. The total number of people in 213 of the 214 households was 1,055 (data was missing on the household size on one questionnaire). The average household size comprised 5 persons, with 76.1 per cent of households having 6 or less, persons.

Education and Skills

The ability to partake in income generating activities in the post relocation and resettlement period in part lies in the educational and skill levels of the persons concerned. The data collected on levels of

education indicated a very low educational level among the heads of households. One in three heads of households (31.3%) had no education. Almost two thirds (60.7%) of the heads of households had primary school level education. The remaining 7.9% had secondary or high school level education. None of the heads of households had tertiary education.

The data collected on the skill levels of the heads of households also indicated a relatively low skill base. Almost half (49.2%) of the heads of households indicated that they had no skills. Of the remaining population of heads of households, the important clusters of skills were farming (8.1%), brick-laying (7.6%), grass weaving (9.3%) and sewing and knitting (8.5%).

Participation in Training Provided by LHDA

LHDA, under its rural development plan, has a training component intended to enhance the skill base of affected populations so that they may be able to make a living through income generating activities. Only 27.1 percent of the households indicated having had undergone training provided by LHDA. This means that 72.9 per cent of households had not had access to this opportunity. The distribution of training activities which the households had undergone is presented in the table below.

Table 2: Training Opportunities Provided by LHDA

Training Opportunities Provided by LHDA	Number of Responses	Percentage of Responses
Setting up Cooperatives	2	2.3
Woodwork/Carpentry	20	23.0
Weaving, Sewing, Knitting	31	35.6
Starting Up a Business	3	3.4
Poultry and Piggery	23	26.4
Plumbing	1	1.1
Dairy Farming	1	1.1

Pottery	2	2.3
Tree Planting	1	1.1
Growing Garlic	3	3.4
Totals	87	100.0

The data indicates that most of the participants in the training opportunities provided by LHDA undertook woodwork/carpentry (23.0%) weaving, sewing and knitting (35.6%) and poultry and pig rearing (26.4%). Other activities listed included, the setting up of cooperatives, starting up a business, plumbing, dairy farming, pottery, tree planting and growing garlic.

The households that indicated having participated in training opportunities provided by LHDA were asked as to whether their training was adequate. A majority of the households (77.6%) indicated that the training was inadequate. The principal reason given for the inadequacy of training was that it was too short.

Data was also collected on a wide range of training preferences of the relocated and resettled households. The distribution of their training preferences is indicated in the table below.

Table 3: Preferred Training Opportunities

Preferred Training Opportunities	Number of Responses	Percentage of Responses
Adult Education	1	0.3
Bio-gas Production	1	0.3
Brick-laying	7	2.4
Business Skills	8	2.8
Candle-making	1	0.3
Capital to Start Business	17	5.9
Carpentry	37	12.9
Catering and Decorating	8	2.8
Dairy Farming	12	4.2

Driving Skills	4	1.4
Farming Skills	4	1.4
Motor Mechanics	3	1.0
No Response	5	1.7
None	49	17.1
Poultry and Piggery	67	23.4
Schools for Children	1	0.3
Sewing and Knitting	59	20.6
Social Work	1	0.3
Welding	1	0.3
Totals	286	100.0

Morbidity and Mortality

Almost one out of every two households in the survey has lost at least one member of the household since resettlement. The major causes of death are indicated in the table below

Table 4: Reported Causes of Mortality

Reported Cause of Death	Attributable to Project	Percentage of Households	Not Attributable to Project	Percentage of Households	Totals	Percentage of Households
Accidents	2	2.2	7	7.8	9	10.0
AIDS	0	0.0	1	1.1	1	1.1
Arthritis	0	0.0	1	1.1	1	1.1
Asthma	2	2.2	0	0.0	2	2.2
Cancer	0	0.0	1	1.1	1	1.1
Chest Pains	8	8.9	9	10.0	17	18.9
Diarrhoea	2	2.2	1	1.1	3	3.3
Food Poisoning	0	0.0	2	2.2	2	2.2

Foot growths	0	0.0	1	1.1	1	1.1
Headache	7	7.8	5	5.6	12	13.3
Heart Attack	1	1.1	0	0.0	1	1.1
Influenza	3	3.3	0	0.0	3	3.3
Letsoejane	0	0.0	2	2.2	2	2.2
Old Age	0	0.0	3	3.3	3	3.3
Sore throat	1	1.1	1	1.1	2	2.2
Stomach	5	5.6	2	2.2	7	7.8
Suicide/Murder	0	0.0	1	1.1	1	1.1
Tiredness	1	1.1	0	0.0	1	1.1
Tuberculosis	12	13.3	7	7.8	19	21.1
Vomiting	1	1.1	1	1.1	2	2.2
Totals		50.0	45	50.0	90	100.0

Accidents, chest pains, headache, stomach pains and tuberculosis were reported as the major causes of death. Together they accounted for 71.1 percent of all reported deaths. 50 percent attributed the deaths to involuntary resettlement.

Morbidity

Once again almost one in every two households reported to have at least one sick person at the time of the interview. The major causes of morbidity were arthritis, high blood pressure, body pains, diarrhoea, ear and eye problems, flu, depression and sores. Together these ailments accounted for 62.8 percent of all reported ailments. 95 per cent of the respondents attributed the cause of illness to the involuntary resettlement.

Financial Capital Assets

Both urban and rural economies are becoming highly monetarised so that access to financial capital is essential for household livelihood strategies and the achievement of sustainable livelihood outcomes and objectives. The primary source of financial capital is often the sale of labour, however, it can also be derived from the leasing out or sale of their assets, which in times of desperation may include household assets. Within this context, data was collected on (1) the type and regularity of employment (2) the primary sources of household income before and after resettlement; (3) the sources of household income that were lost as a result of resettlement; (4) any cash income sources lost as a result of resettlement; (5) any cash income sources from LHDA and (5) sources of credit to which the household had access.

A total of 440 different sources of income, for 214 households, before resettlement were reported. This figure dropped to 202 after resettlement indicating a loss 54 per cent of sources of income. With this shift, the proportion of households reporting no source of income increased 10 fold from 4 per cent before resettlement to 40.1 per cent after resettlement. Prior to resettlement, farming related activities accounted for a major source of income for a majority of the households (65.5%). This proportion fell 48.2 percentage points to 17.3 per cent after resettlement. The second major source of income after farming was the sale of marijuana. At least one in three households (30.7%) reported that the sale of marijuana as a major source of income before resettlement. This proportion fell 30.7 percentage points after resettlement to no households reporting the sale of marijuana as a source of income after resettlement.

A second source of income from which data was collected was the availability of credit. 45.3 per cent of households reported having a source of credit as against 54.7 per cent of households reporting no source of credit. The distribution of the sources of credit is indicated in table 5.

Table 5: Sources of Household Credit

Sources of Credit	Number of Households	Percentage
Money lender	48	35.0
Relatives	35	25.5
Self help organisations (Mekhatlo)	32	23.4
Neighbours	16	11.7
Friends	6	4.4
Totals	137	100.0

The data collected indicates that there were three primary sources of credit namely, money lenders, relatives and self-help organisations (mekhatlo). Together these sources accounted for 85.9 percent of the households reporting this source of credit. Other sources are neighbours and friends. It is significant to note that none of the households have access to or utilise formal institutions to get credit. It is a trend that underscores the significance of social capital to be discussed later.

Physical Capital Assets

Physical capital assets include housing, tools, and equipment that people own, rent or use. It also includes public infrastructure and amenities that people have access to. The range of assets that can be covered by an inventory of physical assets is potentially very large. This study therefore focussed on a narrow range of key assets comprising: (i) the number of residential houses owned by households before and after resettlement; (ii) the number of commercial buildings owned by households before and after resettlement; (iii) sizes of gardens and horticultural plots before and after resettlement; (iv) the ownership and numbers of livestock before and after resettlement; (v) the number of individually owned trees before and after resettlement; (vi) ash heaps owned by households; (vii) patterns of sewage disposal before and after resettlement; (ix) types of fuels used domestically before and after resettlement; and (x) the amount of arable land owned by households

before and after resettlement. The significance and distributions of each of these forms of capital is outlined below.

Housing

Housing is a generic concept that has both physical and socio economic components. Within the tradition Basotho setting it is very common for a homestead to comprise a number of houses that perform different socio-economic functions. The guiding principle in the compensation of houses was to measure the floor area of the houses and build a single equivalent house whereby each of the traditional houses was considered to be equivalent to a single room in the resettlement house. The net result of this was a significant increase in the number of households with a single house (56.1%) from 19.6 per cent before resettlement to 75.7 percent after resettlement. Looking at this change from a different perspective, a majority of households had more than one house (80.8%) before resettlement as against 22.5 per cent in the same category after resettlement. The distributions are indicated in the table below.

Table 6: Number of Houses

Number of Houses	Before Resettlement	Percentage of households	After Resettlement	Percentage	Percentage Change
1	42	19.6	162	75.7	56.1
2	90	42.1	35	16.4	-25.7
3	58	27.1	8	3.7	-23.4
4	18	8.4	3	1.4	-7.0
5	5	2.3	1	0.5	-1.9
6	0	0.0	1	0.5	0.5
No Response	1	0.5	4	1.9	1.4
Totals	214	100.0	214	100.0	

The attitudes of the households toward this shift are indicated in table 7.

Table 7: Comments on Compensation for House

Comments on Compensation for House	Number of Responses	Percentage of Households
Have been Cheated	11	5.1
House is too Big	2	0.9
House not well Roofed	1	0.5
House too Small	14	6.5
No Comment	181	84.6
Satisfied with House	1	0.5
Was not consulted on house	1	0.5
Would have Preferred Maline	2	0.9
Would have Preferred Stone wall	1	0.5
Totals	214	100.0

A majority of the households (84.6%) had no comment. The impression that we got on this high non-response rate to this question was that the experience was too overwhelming to comment on. In many instances the respondents just gathered tears in their eyes.

Type of Fuel Used for Domestic Purposes

Lesotho has a temperate climate with mild to hot summers depending on the location and very cold winters generally. The heating of houses is therefore an important consideration in the design of houses particularly taking into consideration the lifestyles of people and their livelihood opportunities. Data on the types of fuels used is indicated in table 8.

Type of Fuel Used	Before Resettlement		After Resettlement	
	Number of Households	Percentage of Households	Number of households	Percentage of Households
Wood	189	49.2	84	34.6
Cow Dung	186	48.4	36	14.8
Gas	0	0.0	22	9.1
Paraffin	6	1.6	78	32.1
Electricity	0	0.0	5	2.1
Coal	3	0.8	18	7.4
Totals	384	100.0	243	100.0

Table 8: Type of Fuel Used by the Households

The data indicates a significant shift in the types of fuel used by the households. Prior to resettlement, wood and cow dung were the dominant sources of fuel used in the household for cooking and heating, together they accounted for 97.6 percent of responses. After resettlement wood and paraffin became the dominant sources of domestic fuel, together accounting for 66.7 per cent of households. There could be a number of causes for this shift. Firstly, there has been a significant decline in the numbers of cattle which has resulted in the reduced access to cow dung as a fuel. Secondly, there has been a significant decline in access to firewood and thirdly, the design of the houses does not easily lend itself to the use of cow-dung and firewood as energy sources used within the house.

Plot Sizes

Data was collected on plot sizes before and after resettlement. Most households could not tell us as how large their plot sizes were before resettlement. The main reason was that within the tradition Basotho village setting the yards between households are seldom well defined, let alone measured. A significant proportion of households (26.6%) did not know how large their current plots were. However, LHDA seems to have standardised the plot sizes between 30m x 30m and 30m x 40m. From the data collected, 31.3 per cent of

households had 30m x 30m plot sizes and 39.3 per cent had plot sizes of 30m x 40m.

Sanitation

The LHDA undertook to improve the sanitation conditions of the relocated and resettled households by providing VIP (ventilated improved pit) latrines. Data was collected on

Arable land

Within a predominantly rural setting, access to arable land is extremely important as a means of making a livelihood. It is also greatly valued as a resource that can be passed on from one generation to another. Data was collected on access to arable land before and after resettlement. The distributions of access to arable land before and after resettlement are presented in the table below.

Table 9: Access to Arable Land

Access to Arable land	Before		After		Net percentage change
	Number of households	Percentage of households	Number of households	Percentage of Households	
Yes	143	66.8	10	4.7	-62.1
No	71	33.2	204	95.3	62.1
Totals	214	100.0	214	100.0	

The data indicates a drastic decline in access to arable land from 66.8 percent of households owning arable land before resettlement down to 4.7 per cent land ownership after resettlement.

Trees

Trees are important as a source of domestic fuel or fruits depending on the type of trees under consideration. They are also a source of cash income from the sale of firewood and sale of fruits depending on the type of tree. Fruits from trees also contribute to the improved

diets of households. The LHDA has undertaken to replace individually owned trees or compensation in cash. Data was therefore collected on the number of households owning trees before and after resettlement as well as the number of individually owned trees before and after resettlement.

Table 10: Trees and Tree Ownership Before and After Resettlement

	Number of Households	Percentage of households	Total Number of Trees
Before Resettlement	162	75.7	2140
After Resettlement	151	70.6	1953
Change	-11	5.1	-187

The total number of trees declined 8.7 per cent from 2140 trees before resettlement to 1953 trees after resettlement. The total number of households that owned trees declined 5.1 per cent from 162 before resettlement to 162 households after resettlement.

Livestock

Livestock play a very important role in the socio-economic and cultural lives of the Basotho. They are a store of wealth in terms of the economic value of the livestock. They are an asset in terms of other goods that can be derived from the livestock such as meat, milk, mohair, and skins. They are an important source of draught power, particularly in agricultural production and an important form of transport. Against this background, data was collected on the numbers and proportions of households with livestock, before and after resettlement. The principal forms of livestock from which data was collected are cattle, sheep, horses, donkeys and goats. Each livestock form has its own peculiar characteristics in terms of its contribution to the livelihoods of the Basotho. The general trend observed from the data, however, is that there has been a significant decline in both the numbers of households owning livestock and the numbers of livestock.

Cattle are the most important form of livestock among the Basotho. Describing the value of a cow in the Basotho society, they call it the ‘god with a wet nose’ (‘molimo o nko e metsi’) Cattle are a source of wealth, a store of wealth, a beast of draught – equivalent to a tractor, an important food source. It also has immense social value which includes – currency in payment of dowry and ‘a blanket for the dead’ (kobo ea mofu). The distribution of cattle and cattle ownership before and after resettlement is shown in the table below.

Table: Distribution of Cattle and Cattle Ownership Before and After Resettlement

	Number of Households with cattle	Percentage of total households	Total number of cattle
Before Resettlement	152	57.1	1406
After Resettlement	114	42.9	761
Change	-38	-14.3	-645

The table indicates a decline in both cattle ownership and the absolute numbers of cattle from the time before resettlement to the time after resettlement. The percentage of households owning cattle has dropped 14.3 percentage points and total number of cattle has dropped 45.9 per cent.

The significance of sheep in Sesotho culture includes a consideration of sheep as a stock of wealth, a source of cash income through the sale of wool, a source meat, and a source of milk particularly for herd boys as sheep’s milk is not extensively used at domestic level. Sheep also have socio-cultural functions that include: helping children to detach from the spirit of their parents (ho tlosa khutsana); the acceptance of the groom by the bride’s family and vice versa; the naming of a newborn baby; and the payment of dowry. The distribution of cattle and cattle ownership before and after resettlement is shown in the table next page.

Table: Distribution of Sheep and Sheep Ownership Before and After Resettlement

	Number of Households	Percentage of total households	Total number of sheep
Before Resettlement	89	66.9	3,955
After Resettlement	44	33.1	1,143
Change	45	-33.8	-2,812

The table indicates a decline in both sheep ownership and the absolute numbers of sheep from the time before resettlement to the time after resettlement. The percentage of households owning cattle has dropped 33.8 percentage points and total number of sheep has dropped 71.1 per cent.

Many Highland areas of Lesotho are inaccessible by vehicular transport. Horses and donkeys are therefore often a very important mode of transport. The horse is widely used as a beast of travel over medium and long distances. The distribution of horses and horse ownership before and after resettlement is shown in the table below.

Table: Distribution of Horses and Horse Ownership Before and After Resettlement

	Number of Households	Percentage of total households	Total number of Horses
Before Resettlement	67	31.3	213
After Resettlement	28	13.1	54
Change	39	-18.2	-159

The table indicates a decline in both horse ownership and the absolute numbers of horses from the time before resettlement to the time after resettlement. The percentage of households owning cattle has dropped 18.2 percentage points and total number of horses has dropped 74.6 per cent.

The donkey is greatly valued as a beast of burden in the rural areas of Lesotho. The distribution of donkeys and donkey ownership before and after resettlement is shown in the table below.

Table: Distribution of Donkeys and Donkey Ownership Before and After Resettlement

	Number of Households	Percentage of total households	Total number of Donkeys
Before Resettlement	56	26.2	183
After Resettlement	43	20.1	88
Change	13	-6.1	-95

The table indicates a decline in both horse ownership and the absolute numbers of horses from the time before resettlement to the time after resettlement. The percentage of households owning cattle has dropped 6.1 percentage points and total number of horses has dropped 51.9 per cent.

Goats are largely valued as a source of cash income from the sale of mohair and as a source of meat. Goat milk is not widely used at the household level but is an important food source for herd boys. The goat is also the totem animal of the Mbhele Ndebele (Mapele) and thereby used in certain cultural functions such as the acceptance of the bride into the groom's family. The distribution of goats and goat ownership, before and after resettlement is shown in the table next page.

Table: Distribution of Goats and Goat Ownership Before and After Resettlement

	Number of Households	Percentage of total households	Total Number of Goats
Before Resettlement	54	25.2	1400
After Resettlement	28	13.1	476
Change	26	-12.1	-924

The table indicates a decline in both horse ownership and the absolute numbers of horses from the time before resettlement to the time after resettlement. The percentage of households owning cattle has dropped 12.1 percentage points. The and total number of horses has dropped 66 per cent form 1400 houses owned by the households before resettlement to 476 horses owned by the households after resettlement

Social Capital Assets

Social capital refers to networks of mutual support that exist within and between households, extended family and communities to which people have access. Here our primary focus was on social capital at the supra-household level. Within this context, data was collected on (i) proximity to relatives after relocation; (ii) membership of social organisations before and after relocation; (iii) assistance by LHDA to set up cooperatives and the functioning of those cooperatives; (iv) social acceptance by host communities; (v) relationship with the chief of the host community and (vi) the potential role of local government.

Locational Proximity of Relatives After Resettlement

Within the socio-cultural fabric of the Basotho society, the extended family has a very important role that includes defining who you are in society (social identity), the norms of procreation of children, negotiation of rights and entitlements and social security to mention a few. The proximity of members of the extended family after

resettlement was therefore seen as an important consideration in determining the amount of social capital to which resettled households had. From the data collected from the field survey 78.5 per cent of households reported that they had relatives nearby whilst 20.1 per cent indicated that they were living far away from their relatives.

Membership of Voluntary Associations

The role of informal civil society in the form of voluntary organisations that people make in order to achieve goals that would otherwise be difficult to achieve on an individual basis cannot be over-emphasised. Here data was collected on (i) membership of voluntary organisations before and after resettlement and (ii) the primary objective(s) of the voluntary organisations.

Relations with Host Communities

Host communities are affected communities in that the influx of resettlers often leads to increased demand on local amenities, utilities and communal resources. This can lead to conflict between host communities and resettlers. Within this context data was collected on how accepted by the host communities the resettler households felt. 69.6 per cent of households indicated that they felt quite well accepted by their host communities. 24.8 per cent of households felt they were not accepted by their host communities and there was a non-response rate of 5.6 per cent. From those who indicated that they were not accepted by their host communities data was collected on why they thought they were not accepted by their host communities.

Relations with Chiefs of Host Communities

Within the traditional social setting of the Basotho, the chief is a traditional leader of the community. As an institution, chieftainship provides a traditional avenue for the articulation of needs, rights,

entitlements and duties. The chieftainship ensures personal security, mediates in conflict resolution and manages communal resources. Though structures of the modern state have greatly whittled down the powers and functions of chiefs, they continue to exert considerable influence in local affairs. It is within this context that it was important to evaluate the relationship of resettled populations and the chiefs of host communities. Here 83.6 percent of households indicated that their relations with the chief of the host community and 13.5 per cent of households indicated that they had either poor or very poor relations with the chief of their host communities. Data was also collected on the probable sources of poor relations with the chief of the host community. The reasons for poor relationships with the chief of host community included poor conflict resolution, discrimination, a bad attitude towards them and denial of access to resources.

Impressions on Whether Local Government Would Change Things

In 1997, Lesotho jumped onto the fast-moving bandwagon of establishing local government through the passing of the Local Government Act 1997 by the Parliament of Lesotho and the holding of local government elections in 2004. Local governments have been given wide-ranging powers and functions within their local jurisdictions. More importantly, though they have not started working, they offer an alternative avenue for the articulation of needs, rights, entitlements and duties. It was therefore seen as important to evaluate the perceptions of the relocated communities on local government.

A large proportion of the households (42.1%) indicated that they do not have trust in Local Government to improve their situation. 19.2 per cent of households indicated that they have trust in local government to change things and there was a high non response rate of 38.8 per cent. The principal reason for the lack of trust in local government given by the households (88.7 %) was that they did not know anything about it. Other reasons that were given included that

they feared that it would be an oppressive structure, its only about politics and not improvement of livelihoods, it would bring about more taxes, more poverty and more discrimination.

Natural Capital Resources

Natural capital refers to environmental resources often accessed through property regimes, state property regimes communal property regimes or open access property regimes. In state property regimes access to the resource is regulated by the state either at national level or at local level (i.e. the local state/local government). In communal property regimes, access to the resource is regulated by the community and in open access regimes there are no regulators of access to the natural resource. In Lesotho, access to natural resources is largely managed at the community level, with access to mineral rights as notable exceptions. It is the local communities that determine the rules and norms of accessing the resource, technologies of exploitation, benefit sharing, conflict resolution and sustainable use of the resource.

Poor households in particular, often have a higher dependence on access to the natural resource base for making a living due to the smaller volumes of their assets in their household portfolios.

Data was collected on access to pasture, trees or woodlands, thatch, water sources, fishing areas, burial sites, vegetable grounds, and medicinal grounds. These are all resources whose access in many areas in Lesotho is controlled at the community level by either chiefs or village communities. Each of these resources has a particular importance in the livelihood strategies of the Basotho as illustrated below.

Communal pasture is an important resource for households that have livestock, particularly within the context that the growing of fodder for livestock is not a very widespread practice together with the very high cost of livestock foods in Lesotho. Communal Woodlands are

an important source of domestic fuel in rural Lesotho. This was well demonstrated in the discussion on sources of fuel used for cooking and heating. Thatch is widely used in rural areas as roofing material, as a resource in the construction of food storage containers (lisiu) and there is also a variety of other grasses that are used for making brooms and weaving. Wild fruits and vegetables are an important food source in rural Lesotho. Their harvesting is often regulated at the communal level largely through informal regulations and norms. Many wild plants have medicinal properties known to the Basotho through their indigenous knowledge systems. Burial sites have a spiritual value to the Basotho as the resting place of their ancestors with whom, through the spirit medium, they ask the 'great god' (Tlhotlhamacholo), for inspiration and ability to achieve their livelihood objectives. In many rural communities access to pipe water is a rare commodity. Water is still largely collected from natural springs and rivers depending on the specific use for which it is intended. River water is usually used for the washing of clothes, irrigation and drinking by livestock. It is often treated as an open access resource. Drinking water is often extracted from natural springs which are treated as a communal resource and thereby regulated by local communities. Access to each of these resources before and after resettlement is shown in the table opposite page.

Table: Access to Communal Resources

Communal Resource	Access Before Resettlement					After Resettlement				
	Yes (Nr of HH)	No (Nr of HH)	No Response	Yes (% of HH)	No (% of HH)	Yes (Nr of HH)	No (Nr of HH)	No Response	Yes (% of HH)	No (% of HH)
Fishing	80	112	22	37.4	10.3	11	168	35	5.1	2.4
Burial sites	205	0	9	95.8	4.2	184	21	9	86.0	40.2
Wild Vegetables	198	1	15	92.5	7.0	82	112	20	38.3	17.9
Medicinal grounds	204	0	10	95.3	4.7	121	79	14	56.5	26.4
Pasture	205	2	7	95.8	3.3	91	116	7	42.5	19.9
Trees and woodlands	170	26	8	79.4	3.7	80	108	26	37.4	17.5
Thatch	200	7	7	93.5	3.3	86	115	13	40.2	18.8
Water Sources	214	214	0	100.0	100.0	214	214	0	100.0	100.0

The general trend that can be observed is that there has been a marked decline in access for all resources except for water as indicated in the highlighted columns with the most significant declines in access to trees and woodlands, access to wild vegetables, access to pasture and access to thatch. There has not been a decline in access to water, however, there has been a significant shift from natural water sources as a primary source of domestic water before resettlement to piped water sources, after resettlement. There were however cases whereby the water sources provided by LHDA were no longer functioning and the resettled population had to resort to communal water resources. The pictures below clearly illustrate such situations.

Compensation Issues

As we have already seen in earlier chapters, despite a range of problems highlighted, LHDA provided a comprehensive compensation package for relocation and resettlement. Against this background, data was collected on (i) the benefits of resettlement; (ii) the problems of resettlement (iii) Assets compensated annually; (iv) timeliness of arrival of compensation (v) appropriateness of compensation; (vi) assets that were not compensated; and (vii) reasons given by LHDA for not compensating some of the household's assets.

Benefits of Resettlement

The major benefits of resettlement mentioned by the respondents revolved around better access to services and utilities including housing, access to electricity, tanked water, piped water, markets, schools, transport and health services. Together these benefits accounted for 45.7 per cent of the total responses. Other benefits included ability to rear chicken, being given new furniture, having fenced gardens and increased cash income. However, it is important to note that there was a relatively high non-response rate (21.6%) and 13.9 per cent of the respondents indicated that there were no benefits of resettlement.

Problems of Resettlement

The major problems encountered as a result of resettlement included the high cost of living, food shortages, the lack of fuel wood, unemployment, the lack of water and the loss of agricultural livelihood. Together these responses accounted for 71.6 per cent of all responses.

Assets Not Compensated

The assets not compensated primarily comprised gardens, trees and natural resources. Together these items comprised 53.8 per cent of all responses. For a majority of these households the reason given for the non-compensation of their assets were (i) no reason was given and (ii) preparations were still being made. Together these reasons comprised 69.1 per cent of all responses.

Adequacy of the Compensation Package

A majority of the households (73.8%) felt that the compensation that they were given was inadequate. The principal reasons given were that the money was too little (19%) and that they felt cheated (9%). It is however, worth noting that a significant majority (88.9%) did not respond to this question.

The Role of the TRC and other Organisations in Livelihood Upliftment

Data was collected on the role of the TRC and other organisations in the upliftment of the livelihoods of the relocated and resettled populations as well as areas in which external help could be appreciated.

Role of the TRC

The respondents were asked as to what areas they thought that the TRC had been helpful. The distribution of responses is given in the following table.

Table: Areas in Which TRC has been Helpful

Areas in which TRC has Been Helpful	Number of Households	Percentage of Households
pushing LHDA to pay us	35	19.6
take complaints to concerned departments	5	2.8
mediate between LHDA and Us	26	14.5
Generates awareness	9	5.0
advices	45	25.1
Training	6	3.4
Help us get our money	7	3.9
support us	19	10.6
No Response	9	5.0
Not knowing	18	10.1
Totals	179	100.0

The majority of the respondents indicated usefulness of the advocacy role that TRC has played which includes mediation between them and LHDA, pushing LHDA to pay them and general support.

The respondents were also asked about areas where the TRC had not been active yet they would like it to be more active. The distribution of their responses is given in the table below.

Table: Areas Where TRC is Not Active Yet the Households Would Like it to Participate

Areas where TRC is Not Active yet the Households Would Like it to Participate	Number of Households	Percentage of Households
Ensuring that we get Taps	2	0.9
Training us on pig rearing	3	1.4
Supplying food for Pigs	1	0.5
Pushing LHDA	23	10.9
Never implementing anything	2	0.9
Helping those who did not get their money	4	1.9
Does not bring any change	1	0.5
on Natural Resource issue	2	0.9
Electricity	1	0.5
Getting the money in time	2	0.9
None	7	3.3
No response	163	77.3
Totals	211	100.0

Once again one of the major areas in which the people would like to be supported by the TRC is in advocacy and mediation between them and the LHDA.

Role of Other Organisations

Very little help from other external organisations was reported. Some of the respondents indicated that they had interaction with the Ombudsman through whom they had raised their complaints about the intransigence of the LHDA on some issues.

The respondents were finally asked as to what areas they would like to have external help. The distribution of their responses with respect to this issue are listed in the table below.

Table: Areas in which External Help Would be Appreciated

Kind of External Help Required	Number of Households	Percentage of Households
Donation from government	8	3.5
Cooperatives	2	0.9
schools for handicrafts	40	17.3
shelter and food for poultry and pigs	2	0.9
water	9	3.9
electricity	14	6.1
jobs	13	5.6
tractors	2	0.9
taxi	1	0.4
security	2	0.9
cash or capital	24	10.4
force LHDA to pay us	17	7.4
market	3	1.3
access roads	18	7.8
schools near	7	3.0
clinics	1	0.4
monthly allowance	1	0.4

banks near	3	1.3
any help	7	3.0
no response	28	12.1
poultry	12	5.2
pigs	8	3.5
milk cows	2	0.9
family tools	2	0.9
communal farming	3	1.3
Free primary education	1	0.4
trees	1	0.4
Totals	231	100.0

Discussion: The Vulnerability Context and Sustainable Livelihood Outcomes

Broadly defined, the vulnerability context and livelihood outcomes are shifting ends of two polar outcomes. The vulnerability context, broadly defined, refers to the negative adaptations and welfare outcomes resulting from gradual, seasonal or sudden changes in environmental, social economic or political conditions as well as negative changes in the household asset portfolio. Sustainable livelihood outcomes largely relate to positive adaptations and welfare outcomes as a result of changes in environmental, social, economic or political conditions as well as positive changes in the household asset portfolio. So defined, positive livelihood outcomes are closely associated with more income, increased well-being, reduced vulnerability, improved food security and the sustainable use of the natural resource base (DFID, 1999 – 2001).

Against this background, the critical questions are: (i) in what direction are the livelihoods of the resettled communities moving? In other words, is their vulnerability increasing or has resettlement resulted in more sustainable livelihood outcomes? (ii) what are the major factors contributing to the observed trends? and (iii) what mitigation measures need to be undertaken if the trends indicate

increasing vulnerability? (vi) what positive outcomes need to be reinforced?

All the major livelihood indicators in this study seem to point in one direction, which is the increasing vulnerability of households displaced by the Mohale dam. The findings indicate:

- Reduced income sources and an increased proportion of households with no income source(s);
- Very high levels of morbidity and mortality among the displaced population;
- Reduced access to arable land;
- A shift in domestically used fuels that could have increased their vulnerability context;
- A significant decline in livestock ownership and livestock numbers; and
- Significant decline in access to communal property resources.

Taking cognisance of these losses a critical question is whether the compensation package has led to outcomes that mitigate the vulnerabilities or lead to more sustainable outcomes.

Housing

We have noted that housing is more than a physical structure, it is also a place of dwelling endowed with socio-cultural and economic values as well as locational advantages. This means that the design of resettlement housing needs to take into consideration the socio-cultural values of housing, as well as the ability of each specific household in question to maintain it at a cost within its means, physical environmental conditions that may contribute to its increased welfare. Indeed this is an issue that the Environmental Panel of Experts raised as far back as 1996 (Hitchcock, et.al., 1996). Of particular concern here is the ability of households to keep the houses warm through Lesotho's very cold winters. This means that

in the design of the house energy needs to be given due consideration. On this particular issue, the data clearly indicates that the issuing of coal stoves has not resolved the problem as none of the households seem to use coal as a domestic energy source.

Income Generating Activities

There has been a very significant decline in farming as a source of income for displaced and resettled populations. This seems to be directly related to: (i) the significant reduction in access to arable land by the displaced populations; (ii) the reduced access to natural capital resources, particularly pasture which is important in livestock production; (iii) a significant reduction in draught livestock, which is a very significant input in farming activities. There is no doubt, that the overall decline in farming as a livelihood strategy has had two major repercussions: (i) it has resulted in the loss of income as noted above and (ii) it may have also led to increased food insecurity due to the loss of productive assets related to food production. The two repercussions are directly related in that the entitlement bundles for food largely revolve around the two of them. In other words, food is principally accessed through own production of the food or is accessed through the ability to purchase it. Such a situation requires the minimum of a two pronged strategy that focuses on the intensification of food production activities, within the means accessible to affected populations and a diversification of income generating opportunities beyond farming related activities.

To address food insecurity arising from the loss of productive assets, LHDA annually distributes grain (principally maize) and beans or cash. Whilst this is required as an emergency measure, and is guaranteed for 50 years, it is in itself a measure that does not have a sustainability context built into it. Furthermore, concerns have been raised about the extent to which the distribution of only two food-crops leads to increased food security – defined as an adequate diet in terms of calories, proteins, vitamins and micro-nutrients.

A sustainable food security strategy would comprise two major components: (i) an intensification of food production on the limited land available within means accessible to the affected populations and (ii) a focus on non-farm income generating activities that would enable households to earn enough income to purchase their own food. Within a context of the first strategy, many households have indicated interest in poultry and pig rearing. Both activities in Lesotho have relatively high cash returns. They also require relatively low start-up capital, have low maintenance costs and have relatively short 'business gestation periods' before cash begins to flow in. Apart from the directly expected poultry and pig products, there is the production of manure which can also be used to enhance soil fertility. A major limitation of this approach, at the household level, would probably be (i) start up capital and (ii) finding space to undertake these activities, particularly for those households that have small 30m x 30m plot sizes. As indicated in the picture below space can be a real constraint.

The second approach entails the setting up of non-farm enterprises that would enable households to earn enough income to purchase their own food-stuff requirements as well as meet other household needs. Ideally, such enterprises would have strong local backward linkages and forward linkages that are both local and export oriented. Backward linkages largely relate to inputs which in the context of considerations of 'local location' would be readily available locally. Forward linkages relate to output which would be sold locally and outside the immediate local area, which is the context in which we use 'export orientation'.

Social Inclusion, Community Reconstruction and Restoration of Community Assets

Social inclusion, community reconstruction and restoration of community assets are intrinsically related. Social inclusion revolves around processes of local citizenship reconstruction whereby the rights, entitlements and duties are restored. Ultimately this process is legitimated by the communities within which they are contested,

negotiated and mediated. In other words, any claims to local citizenship shall be legitimated or bastardised by the communities in which the resettles become hosted. The outcomes of such negotiations and mediations should ultimately result in greater access as well as custodianship of communal property assets. The extent to which this has been achieved is quite debatable among the communities studied. Ultimately the restoration of this issue would have required data from both the resettles and the host communities. From the data collected on social capital, the resettles seem to be relatively well accepted by the host communities and their chiefs. However, the data on access to communal resources tells a different story whereby the resettles generally experienced a marked decline in access to communal resources. This could suggest that the power relations between host communities and the resettles are such that they do not ascribe equal citizenship to the resettles. Within any context of unequal power relations, vulnerability is likely to arise as argued earlier.

Conclusions

The data generally seems to indicate that the resettled households have suffered tremendous losses. This seems to have increased their vulnerability context as well as their feelings of helplessness. Whilst the LHDA has reconstructed the houses within which they live, attention must now be diverted toward rebuilding their income generating opportunities and enhancing their local citizenship. The monitoring of progress made will also be of paramount importance.

This chapter was taken from a Report by Sets'abi Sets'abi and Vusi Mashinini commissioned by TRC.

References

Sets'abi, S. and Mashinini, V. 2005. **A livelihoods Approach to the Assessment of the Impacts of the Lesotho Highlands Water Project, Phase I B (Mohale dam) on the resettled communities: Implications for the Transformation Resource Centre** (unpublished report).

Photoindex:

Katse Dam Wall, page 5: TRC (Jonathan Tomm)
Letsie III and Mbeki opening Mohale Dam, page 6, TRC (Peter Lahann)
Ha Tsiu Village, page 11, TRC (Peter Lahann)
Boy Ploughing, page 12, TRC (Peter Lahann)
Resettlees looking at Mohale Dam, page 13, TRC (Peter Lahann)
Ombudsman's hearings, page 33, TRC (Katlheho Pefole)
Concrete houses, page 34, TRC (Mabusetsa Lenka)
September demonstration, page 37, TRC (Peter Lahann)
Mohale Dam during construction, page 55, TRC
Fishermen in Katse, page 65, Klaus Schmitt
Hut in the Highlands, page 66, TRC (Mothusi Seqhee)
Katse Plunge Pool, page 69, TRC (Peter Lahann)
Herd boys in the Highlands, page 79, TRC (Peter Lahann)
Anna Moepi, page 81, TRC (Peter Lahann)
Public Gathering, 93, TRC (Peter Lahann)

After Resettlement, their lives will never be the same. Nothing could be a sufficient substitute for the life they have known for generations. No price could compensate for a life that has been so emotionally disturbed.

Mabusetsa Lenka Thamae

The Lesotho Highlands Water Project (LHWP) is the largest development to benefit Lesotho's small population to date. The World Bank backed five-dam scheme, was expected to offer direct developmental benefits to the entire nation in the form of jobs, better roads, tourism growth, water supply, environmental protection, among other things.

But the people have received mere remedial benefits in terms of delayed and insufficient compensation, resettlement and rehabilitation. As have numerous other huge development projects elsewhere, the LHWP has brought untold suffering to the communities resettled to make way for the project's huge dams and roads. Tales of demolished houses, fields destroyed, hopes dashed are testimony to the cruel results of the project, a sad contradiction to the project's treaty which promised a life "not inferior to one obtaining before the start of the project".

As officials negotiate new development initiatives in Lesotho and elsewhere, lessons from the LHWP should always be taken into account.



published by
Transformation Resource Centre, Lesotho
www.trc.org.ls