

# Transboundary water allocation and benefits sharing: The Lesotho HighlandsWater Project

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- ✓ Treaty signed on 24 Oct 1986
- ✓ Phase II Agreement signed on 11 August 2011



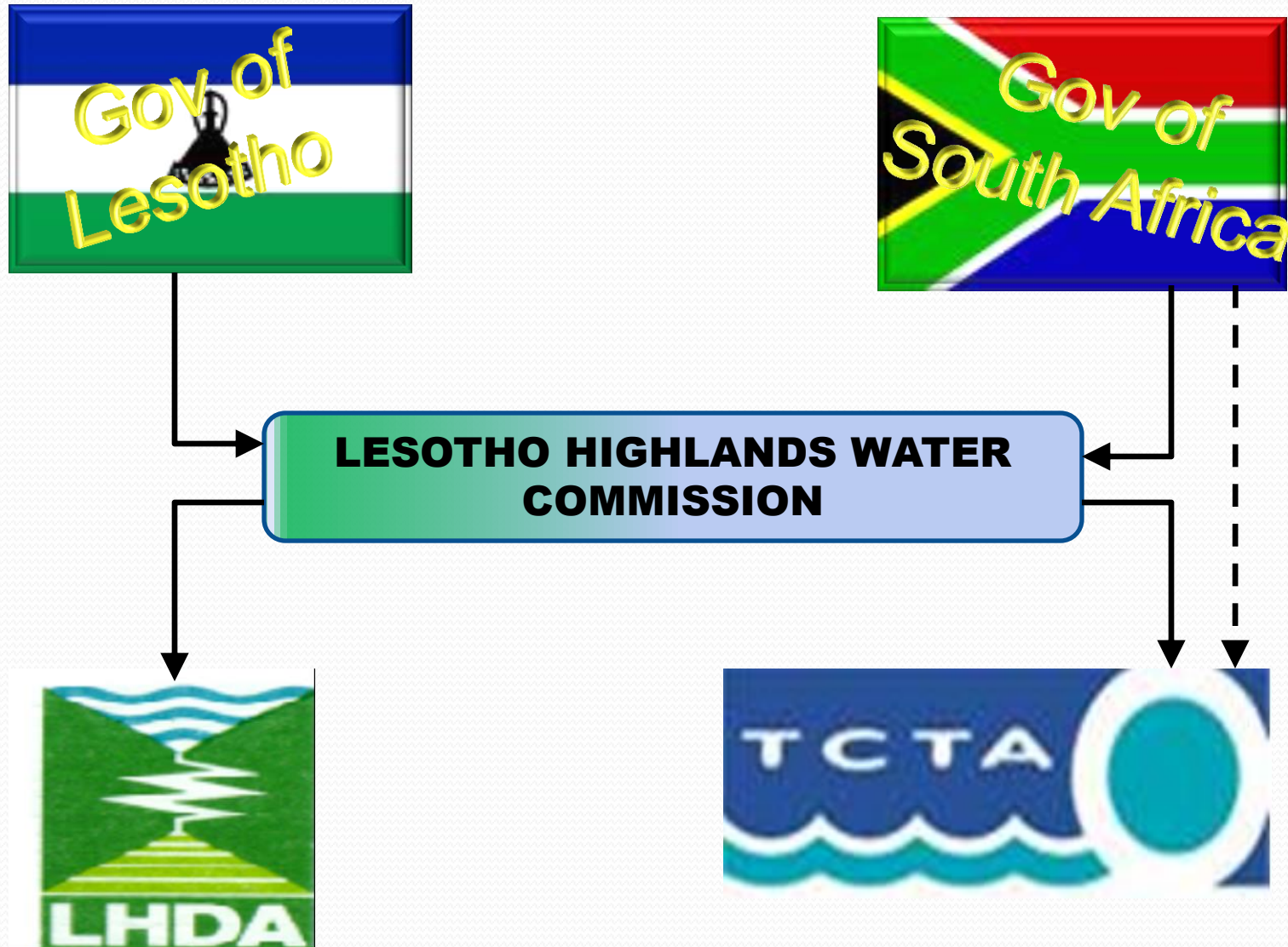
# **WHAT IS THE LHWP ?**

- **Bi-national interbasin water transfer**
  - ultimate delivery  $70 \text{ m}^3/\text{s}$
- **5 Phases - 30 year**
- **Implementation - LHWC, LHDA & TCTA**
- **One of largest engineering projects**
- **Worth \$ 8 billion**

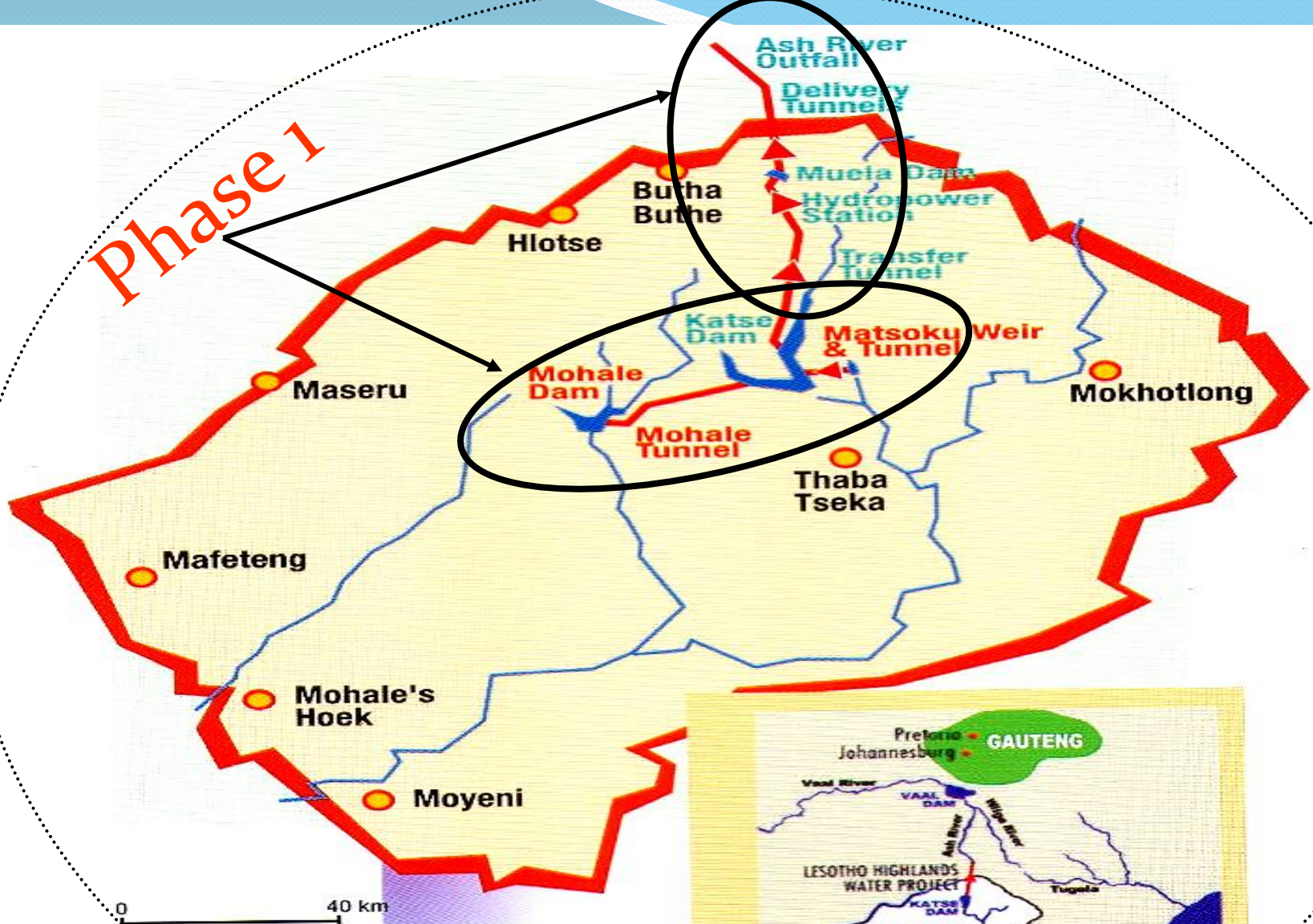
# **WHY THE LHWP ?**

- **Augmentation for Vaal System in RSA**
- **Millions people without water**
- **Cheaper alternative source**
- **Good quality water**
- **Opportunity for regional development**
- **Hydro-electricity for Lesotho**

# Project governance

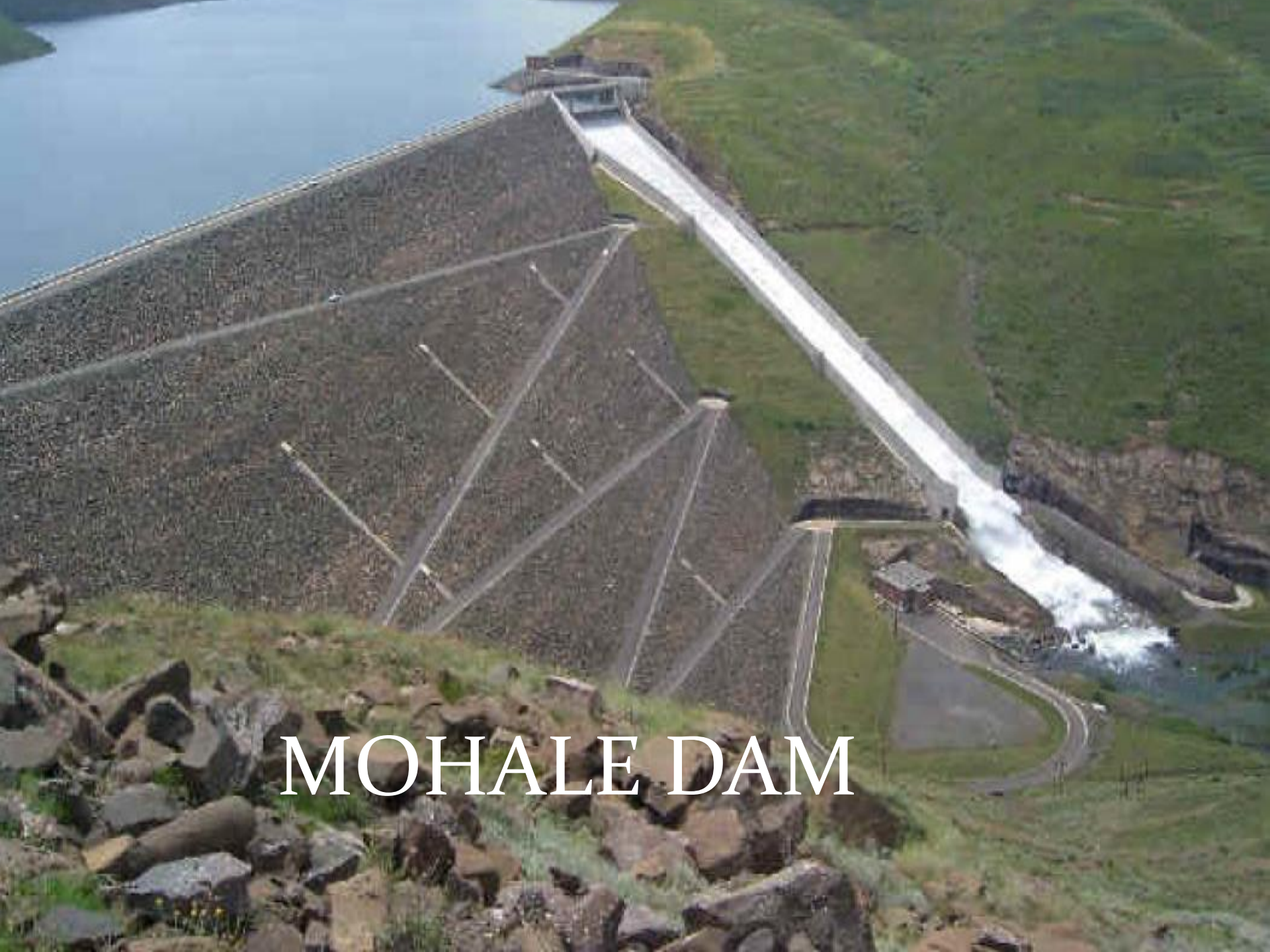


Phase 1





# KATSE DAM



MOHALE DAM

# MUELA HYDRO POWER SWITCH YARD



# Challenges

- LHWP is guided by the Treaty which was signed in 1986. The Treaty was made before 1997 Convention of Transboundary Watercourses and international Lakes and some of the main principles are not very specific in the Treaty like equitable and reasonable utilisation and the rule of no significant harm.
- Agreeing fully on the formula to be used for the water allocation has always been a challenge since there are changes happening in the water sources and the environment.
- Assumptions that were made in the beginning are challenged by the operational rules i.e. trading rules.

# Challenges

- Assessing potential benefits to be shared requires mutual agreement on underlying data. In shared river basins, however, data is often contested among riparians. Moreover, the various water uses are valued differently by different users and perceptions often overshadow facts.
- Drafting benefit-sharing mechanisms therefore needs to be combined with hydro-diplomacy efforts and ensure perceived fairness of benefit-sharing agreements.

# Lessons Learned

- Even with power disparity, there is possibility for agreement over water resources through economic benefits.
- South Africa is a much more powerful nation than Lesotho, but Lesotho has abundant water resources, which, through the Highlands Project, will benefit both nations economically and through the provision of water to South Africa. It is possible even when there is such a wide gap between nations in terms of power, to collaborate for the mutual gain of both countries.
- It is more economically sound to begin impact studies before nations start to construct projects.

# Lessons Learned

- Renegotiation clauses in an agreement can prevent issues from arising for the nations involved.
- The LHWP treaty also exemplifies the importance of providing for renegotiation of project terms. In the absence of such a provision, the additional phases of the project might have been implemented without adequate consideration of their feasibility



THANK YOU