Early Warning System

AFDB-P-ZA-EA0-004

South Africa - Lesotho Highlands Water Project (LHWP), Phase II

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Quick Facts

Countries	South Africa
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	A
Voting Date	2021-10-06
Borrower	*Borrower information not provided at the time of disclosure*
Sectors	Water and Sanitation
Investment Type(s)	Loan
Investment Amount (USD)	$ 89.56 million

Project Description

According to bank provided information, the proposed project fits with the objective to deepen regional integration and promote industrialization in South Africa. It also realizes the GoKL's aspiration to boost benefits from its natural resources and develop its infrastructure to create the necessary enabling conditions for private sector development. Both South Africa and Lesotho are inextricably linked socially and economically, and the project is further cementing their relationship for mutual development. The Project is one of the Southern Africa Development Community (SADC) priority water infrastructure projects for promoting regional integration. The Project is estimated to cost ZAR 32.562 billion (UA 1.576 billion), net of taxes and duties. The AfDB loan of ZAR 1.3 billion and NDB loan of ZAR 3.2 billion will finance, on pari-pasu basis, part of component B - Main works covering Polihali Dam and Polihali Transfer Tunnel works. The Project will provide secure and sustainable water sources to the population living in the Gauteng Region covering five provinces (Guateng, Freestate, Mpumalanga, North West and Northern Cape Provinces) of South Africa with a combined population of 26 million and 60% of South Africa's economy. The water delivered and transferred to the Vaal River System will ensure water availability for domestic consumption, irrigation, industries and mining. On the Lesotho side, more than 85,000 people will benefit upon completion of the project, which is bound to impact positively on community development activities, private sector growth through improved infrastructure and contribute to Lesotho's socio-economic development.

The development objectives of the project are to ensure water security of the Gauteng Region of South Africa and improve the socio-economic development of Lesotho through improved infrastructure and potential for hydropower generation. The Project will specifically aim to increase the transfer of water from Lesotho to the Republic of South Africa from the current 780 million m3/year to 1260 million m3/year and to provide opportunity to generate additional hydroelectric power in Lesotho. Direct and indirect impacts on communities and cultural heritage are also extensive: almost 1000 households will have been resettled for Phase I and II. Many more people will be directly affected from the loss of fields and grazing, which are in increasingly short supply as the population grows and drought periods increase in frequency and duration, resulting in food insecurity for much of the population of Lesotho. Further, the indirect impacts of large-scale infrastructure development in remote rural areas of the Highlands and the associated influx of thousands of mainly single male workers over three-year periods is expected to have contributed to the increased incidence of HIV/AIDS in the region.

Investment Description

- African Development Bank (AFDB)

U.A 62,683,227.9

Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents. Under the AfDBÕs Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process

ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at: https://www.afdb.org/en/independent-review-mechanism/

Bank Documents

- Appraisal Report (French) [Original Source]
- Environmental & Social Impact Assessment (ESIA) for the Polihali Western Access Corridor Volume 1 [Original Source]
- Environmental And Social Impact Assessment Summary [Original Source]
- Environmental Management Plan (EMP) for Polihali Western Access Corridor (PWAC) Volume 2 [Original Source]
- Resettlement Action Plan for Phase II of the Lesotho Highlands Water Project [Original Source]