



SPEECH BY THE HONOURABLE MINISTER OF WATER,
MR. SAMONYANE NTSEKELE MP;
BRIEFING SESSION ON PHASE II OF THE LESOTHO HIGHLANDS WATER PROJECT
'MANTHABISENG CONVENTION CENTER
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LADIES AND GENTLEMEN

For a long time I have been looking forward to an opportunity such as what we have today. The opportunity to sit around the table with you members of the local business community, Contractors and Consultants and suppliers of various related goods and services to understand how you are preparing to take advantage of the enormous business and developmental opportunities that the implementation of the second Phase of the Lesotho Highlands Water Project is bringing.

Concerns

I am also aware that there are concerns regarding the way the LHWP matters are being handled. Therefore this forum provides an opportunity for interrogating what those concerns are, seek to understand what the issues are, how the business community views the Project, identify areas where there may be some misunderstandings. Ultimately we must arrive at a win-win situation where we forge mutually beneficial and better long-term solutions.

This is particularly important as the tempo in the implementation of Phase II of the Lesotho Highlands Water Project is picking up and rising very fast. In the next few months we will see the yellow plant on site and thus signalling the start of construction.

It is my wish and that of the government that Basotho participate as meaningfully as possible.

LHWP Treaty Review

I am aware that there is an earnest desire that the terms of the LHWP Treaty signed in 1986 need to be reviewed. I know that some people are saying that this Treaty was signed under a different political dispensation (a military Government in Lesotho and a minority Government in RSA) and therefore the wishes of the people were not adequately taken into account as those governments were not democratically represented.

Ladies and Gentlemen

Article 18 of the Treaty makes provision for the review of the Treaty at intervals of twelve years, or at such other intervals as the Parties may agree upon. The reality is that indeed many reviews have taken place as evidenced by the signature of Protocol VI since the Treaty was signed in October, 1986.

I wish to remind this forum that in 1998 the Government of Lesotho appointed a Negotiating Team on the implementation of the "LHWP Further Phases and Treaty Review" comprising officials from the relevant Government Ministries, the LHWC (formerly the JPTC) and the LHDA.

In a parallel move, the Government also then decided that the public and key stakeholders should be involved in the Treaty review and consequently initiated a process of consultation with the public with the objective of eventually soliciting and consolidating the views from the officials and the public to develop a final negotiating position for Phase II of the LHWP.

The "*National Dialogue on the Review of the LHWP Treaty*" was therefore held on the 21 and 22 October 1999. It was attended by approximately two hundred participants representing a cross section of the LHWP stakeholders from the chieftainship, District Secretaries, affected communities, organized labour, political parties and other civic bodies

We have now started a process of the review of the Treaty. The processes started at the Ministry level, draft Terms of Reference have been drawn for presentation to the Cabinet of His Majesty's Government.

The expectation is that Cabinet will advise itself on how to take the process further to ultimately culminate into country to country negotiations. I would therefore be very pleased to hear in this forum what specific areas you wish to see being revisited.

You are operating at the coal face, so to speak, and therefore have a lot you can contribute to this process of review. Members of the public can also make their views heard through their elected representatives in the National Assembly as well as the Senate.

Bo 'M'e le bo Ntate

Equal sharing of opportunities

Of critical importance to us in the government are the provisions in both the 1986 Treaty and the Phase II Agreement that foster equal opportunities for Lesotho and RSA nationals in the implementation of Phase II of the LHWP. Specifically, the Phase II Agreement makes a very important provision for what we often refer to as 50/50 in terms of value of infrastructure works.

The Agreement provides that” *consultants and contractors registered in Lesotho and in South Africa shall share the value of all infrastructure works on an equal monetary basis, taking into account, amongst other things, their shareholding and operational experience*”;

We need to interrogate what this clause means, what the implications are and how we can make sure that Basotho are ready and able to claim their fair share. The government has made a commitment to see that Basotho get the share due to them. The officials with me today, will go into more details and brief you on other equally important provisions and issues that you have to bear in mind to ensure that you get a fair share of the opportunities.

quality

But first and foremost we need to all agree that quality is not negotiable. We need to build structures and facilities that will operate as required, last long and are safe to use. The structures that we build whether it be a road, a house or a tunnel, it should be built to internationally recognised standards. This is a specific requirement of the Treaty and the Phase II Agreement.

I hope that during the question and answer session we will begin to address this issue in more detail. I also wish that the discussions will continue outside the walls of this room for days to come if only this will place us in a position to come out as winners.

Obviously I cannot in this limited time address all of your concerns but I am saying that my door is open. Let us have a dialogue. Let us make the system work and let us see many more Basotho companies, whether as individual companies, small or big, experienced or as start-ups, as members of a grouping or as standalone, coming forward and grabbing this opportunity that is in front of us.

Preference

This Project is being implemented in Lesotho, we in Lesotho are therefore given the first opportunity to supply goods and services provided we satisfy the basic conditions for that supply. In order to take advantage of that preferential treatment we have to be ready and prepare ourselves.

The question that keeps me awake at night is “are the Basotho people ready or will they be standing by the wall and watch as the game plays out, will they only be cheering or will they actively play in the game”?

Let us play the game together as Basotho regardless of whatever differences we may have. This is our duty and obligation as Basotho.

Joint ventures

It is the fervent hope and wish of my Government that as in the previous Phase, this second Phase will see an expansion of the window of opportunities, not only for us as Basotho but for the region as well. We expect to see many Basotho companies, suppliers and individuals teaming up with others inside and outside the country and claim their share.

We expect to witness real growth in capacity of our contractors and professional service providers and of course jobs for our people. If we achieve this, then our Government will have a good report back to you the electorate. We are a Government because we have been elected by the people of Lesotho

Ladies and gentlemen,

zero tolerance for corruption

I want to end by reiterating that while the Government of Lesotho is committed to ensuring there are equal opportunities for Lesotho Nationals in the implementation of this Project, it is important that we all play by the rules of the game for quality.

We have a zero tolerance for corruption, as repeatedly said by the Prime Minister of this country. There is zero tolerance from whatever source. We expect the officials of the LHWP to observe the highest ethical standards, be seen to be and actually operate a “clean ship”. We equally expect all the companies that are bidding for tenders to pay close attention and know that this government detests corruption, it outlaws all forms of corruption, collusion and other business practices that distort the smooth and transparent way of doing things. I am just reminding you, we have a history ladies and gentlemen that is still lingering in this Project.

conflict of interest

Please make sure that where there is conflict of interest this is declared at the earliest opportunity and be aware that there is a whistle blowing service in place. Many companies that want to “cut corners” will be caught very quickly and that is a certainty. So please play well, observe the rules, capacitate yourself, make yourself known, develop and share strong and company profiles. You are not a company by just registering with LHDA. Wherever you are, make sure you get qualified people to help you develop a good company profile. You need a good “CV”. You need to stand out if you want to be picked as a business partner.

It is my express wish and that of the government of the Kingdom of Lesotho that you will all leave this session with a very good idea of what the expectations are in terms of how to take advantage of the tremendous business opportunities that are available for those willing and ready.

With these few remarks, I would like to thank you all for your attention, reiterate this 4 X 4 government support to you and wish you good luck in your business ventures.

I want to end by saying may the Almighty God be with us as we take our country to greener pastures.

KHOTSO PULA NALA