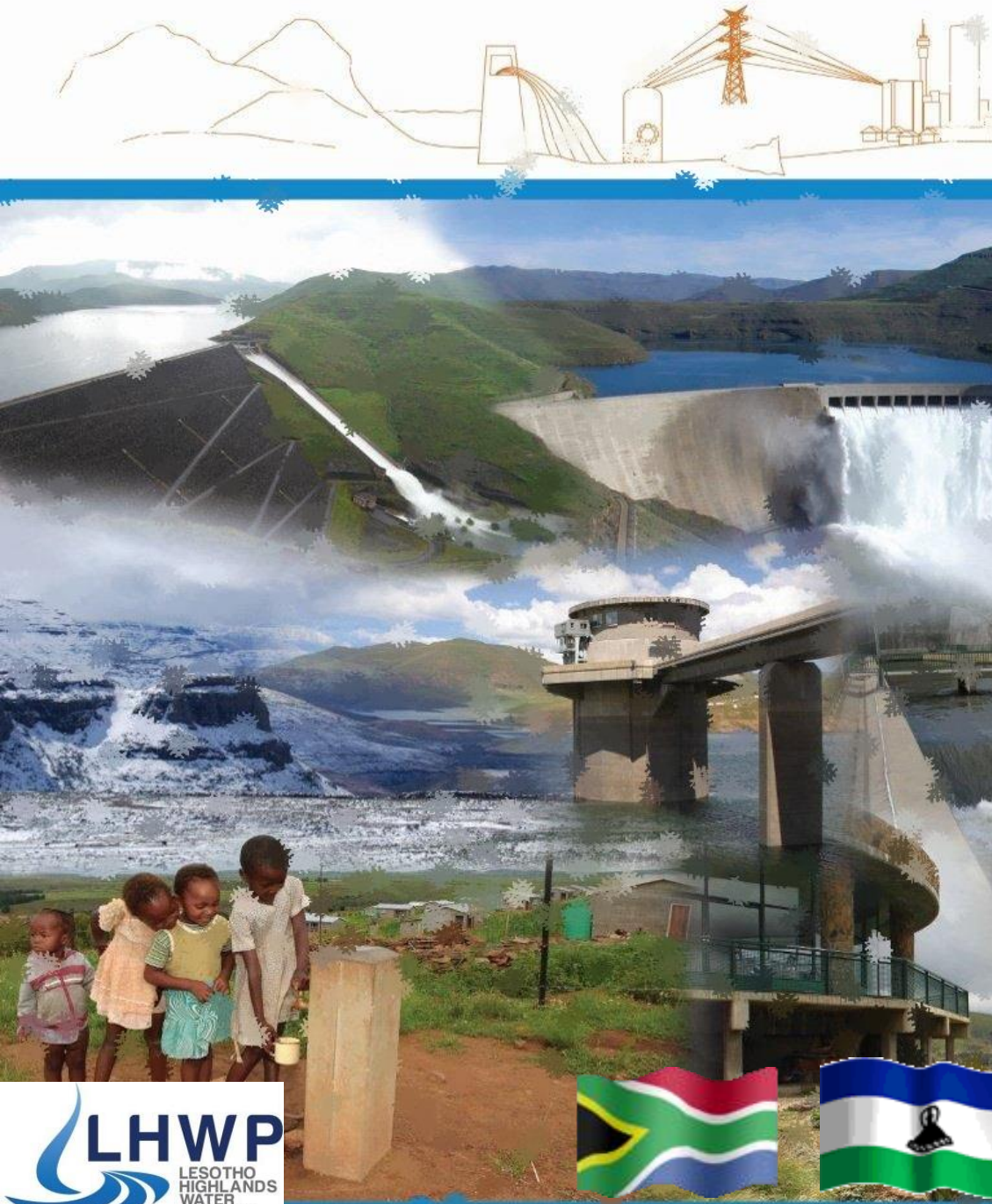


LHWP : Phase I and II Governance, Treaty, Ph II Agreement and Progress, Challenges



CONTENTS

- 1. BACKGROUND**
- 2. LEGISLATIVE FRAMEWORK**
- 3. GOVERNANCE STRUCTURE AND LINKS TO TREATY**
- 4. TREATY**
- 5. PHASE II AGREEMENT**
- 6. PROGRESS OF PHASE II IMPLEMENTATION**
- 7. PHASE I - OPERATIONS AND MAINTENANCE IN 2021**
- 8. CHALLENGES**
- 9. ISSUES IDENTIFIED BY THE AUDITOR GENERAL IN RELATION TO
THE LHWP AND THE PAYMENT OF ROYALTIES**
- 10. REVIEW OF TREATY AND MATTERS TO CONSIDER**
- 11. QUESTIONS11111**



Introduction and background (1 of 2)

- South Africa and Lesotho have a relationship governed through a structured Presidential Joint Bilateral Commission for Cooperation (JBCC) established in 2001 which was elevated to a Bi-National Commission (BNC) in 2020.
- Water sector has two legal instruments:
 - i. 1986 Treaty augmented with various Protocols as the need arose
 - ii. 2011 Phase II Bilateral Agreement.
- The two Sector Departments of both countries report on the implementation of the Lesotho Highlands Water Project under the Economic Cluster of the BNC chaired by Presidents.



Introduction and background (2 of 2)

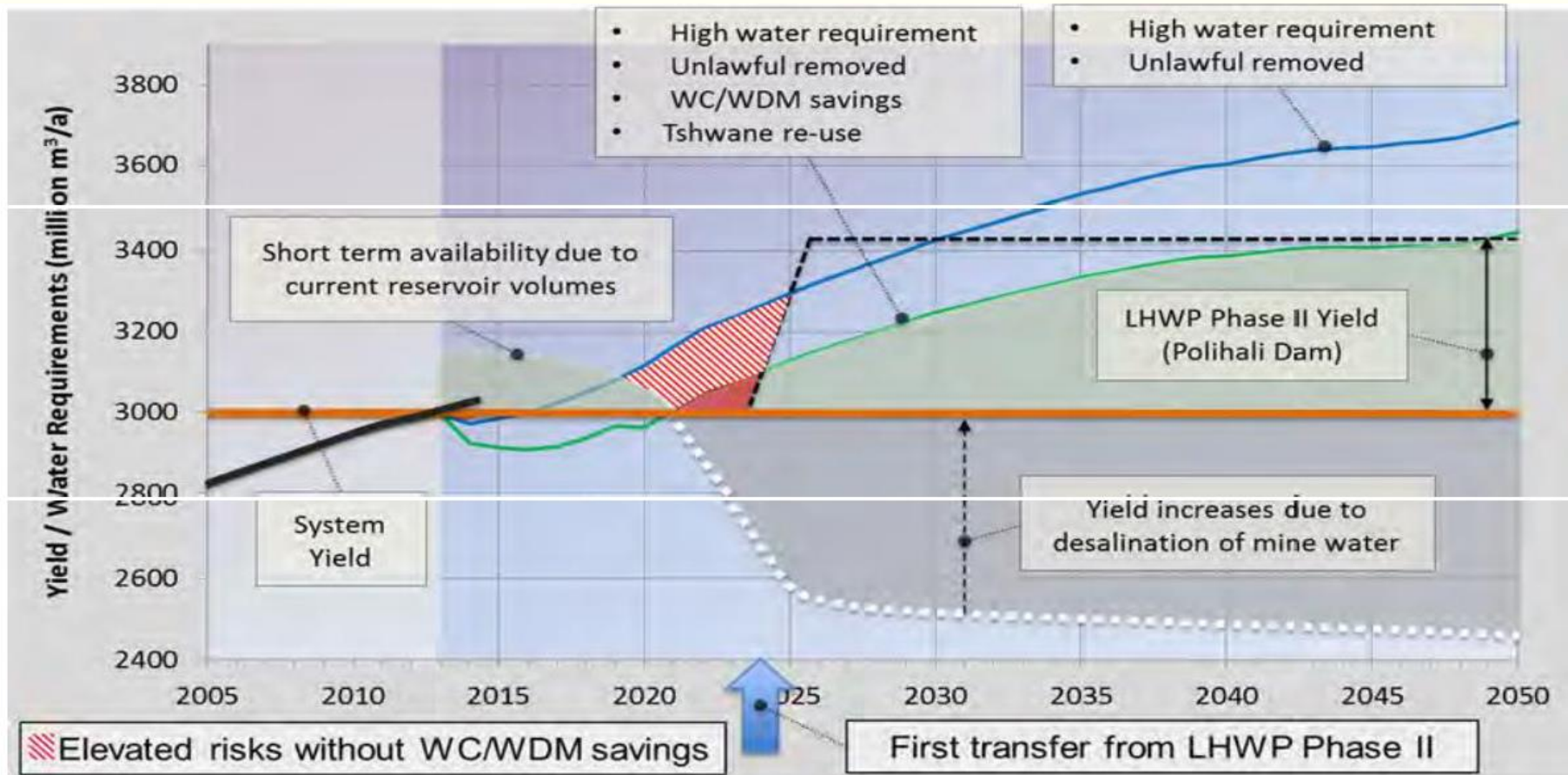
- The Lesotho Highlands Water Project (LHWP) Treaty was signed on the 24 August 1986 and was followed up with several Protocols (6x) by the governments of Lesotho and South Africa.
- Phase I - The Delivery Mechanisms for Phase 1A - Katse dam, Transfer and delivery Tunnels, Muela Hydropower (completed and inaugurated in 1998), whereas Phase 1B – Mohale Dam, Transfer Tunnels, and Matsoku diversion Weir (completed in 2003 and inaugurated in 2004)
- In 2005, an agreement between the Governments of South Africa and Lesotho was signed to proceed with feasibility studies;
- In 2006, the feasibility study was commenced and completed in late 2008;
- The agreement to implement LHWP Phase II was signed in Maseru on 11 August 2011
- LHWP Phase II is currently underway and expected to be completed by 2027

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

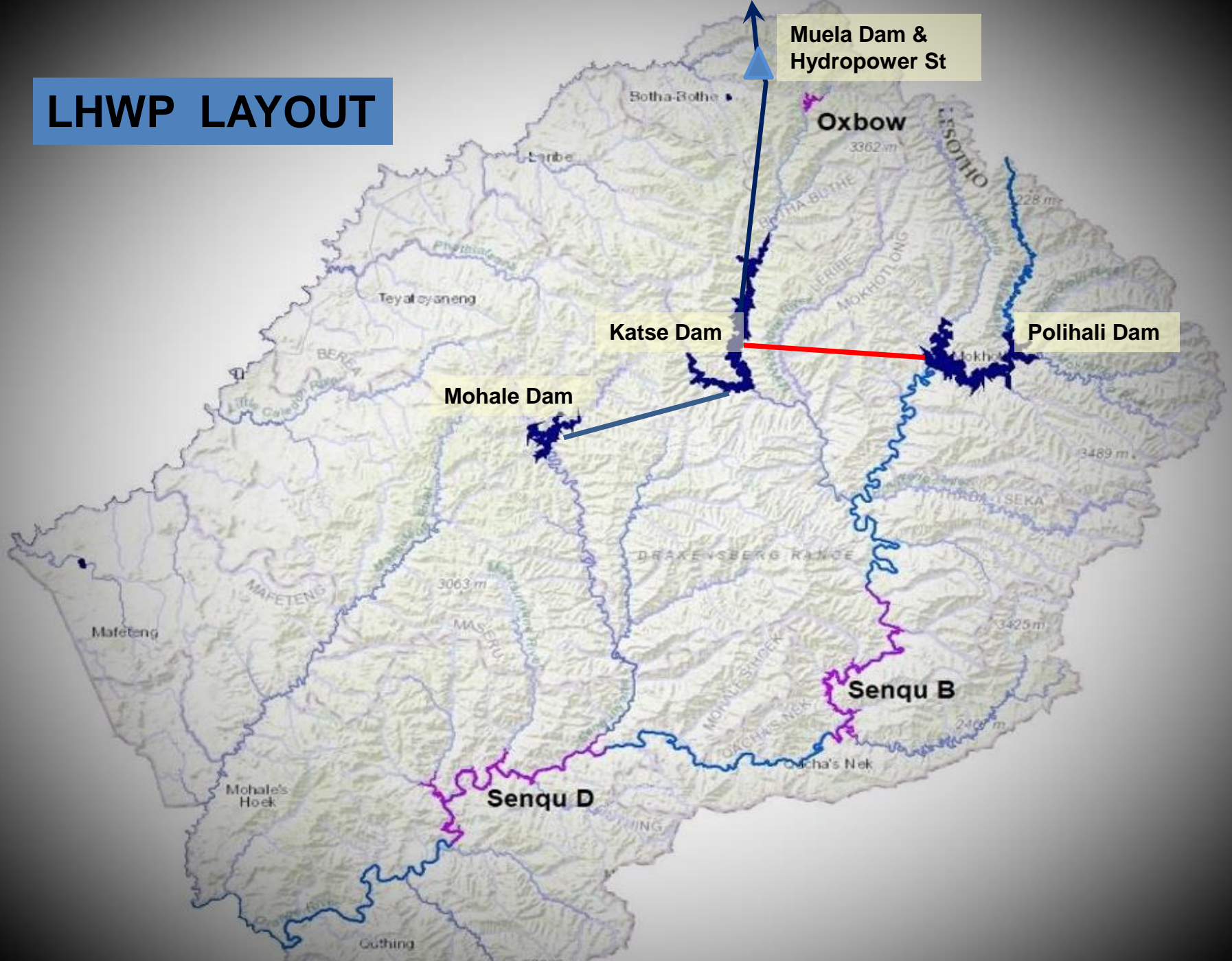


Planning horizon of Vaal River augmentation

VS FORECAST DELIVERY OF 2028

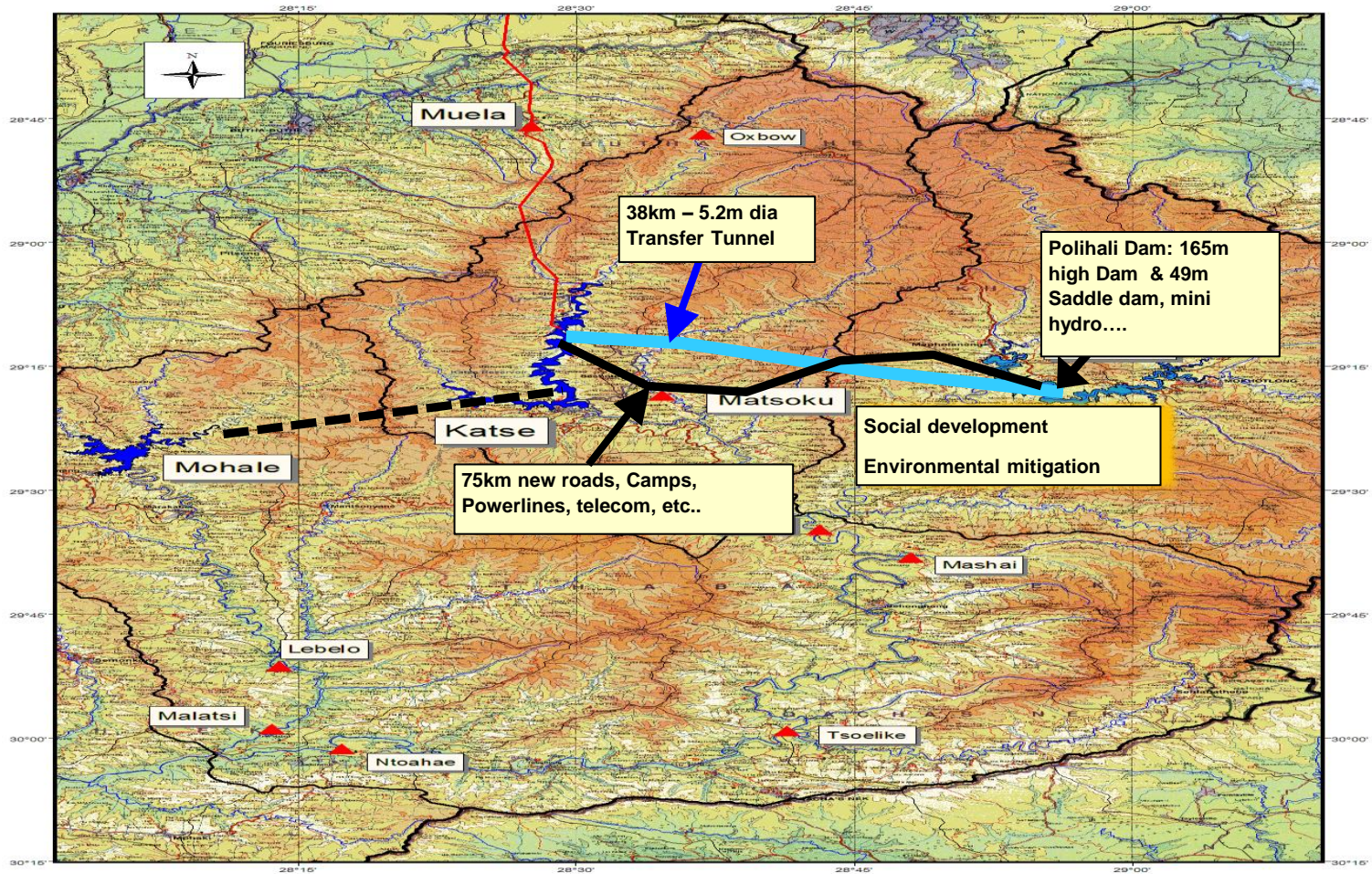


LHWP LAYOUT



LESOTHO HIGHLANDS WATER PROJECT

PHASE II : PROJECT LAYOUT



LEGISLATIVE FRAMEWORK

- The **LHWP Treaty** signed between the Governments of Lesotho and South Africa in October 1986 and applicable Protocols. (Specifically Art 6 (17) and Protocol VI)
- **LHDA Order No 23** of 1986 and amendments
- **Governance Manual** Third Edition 2018 and subsequent amendments
- **Phase II Agreement** signed between the Governments of Lesotho and South Africa in August 2011.
- **Applicable laws of Lesotho** eg. Land Act 2010.....
- **LHWP procurement policies** incorporating relevant aims of the RSA BBBEE legislation.

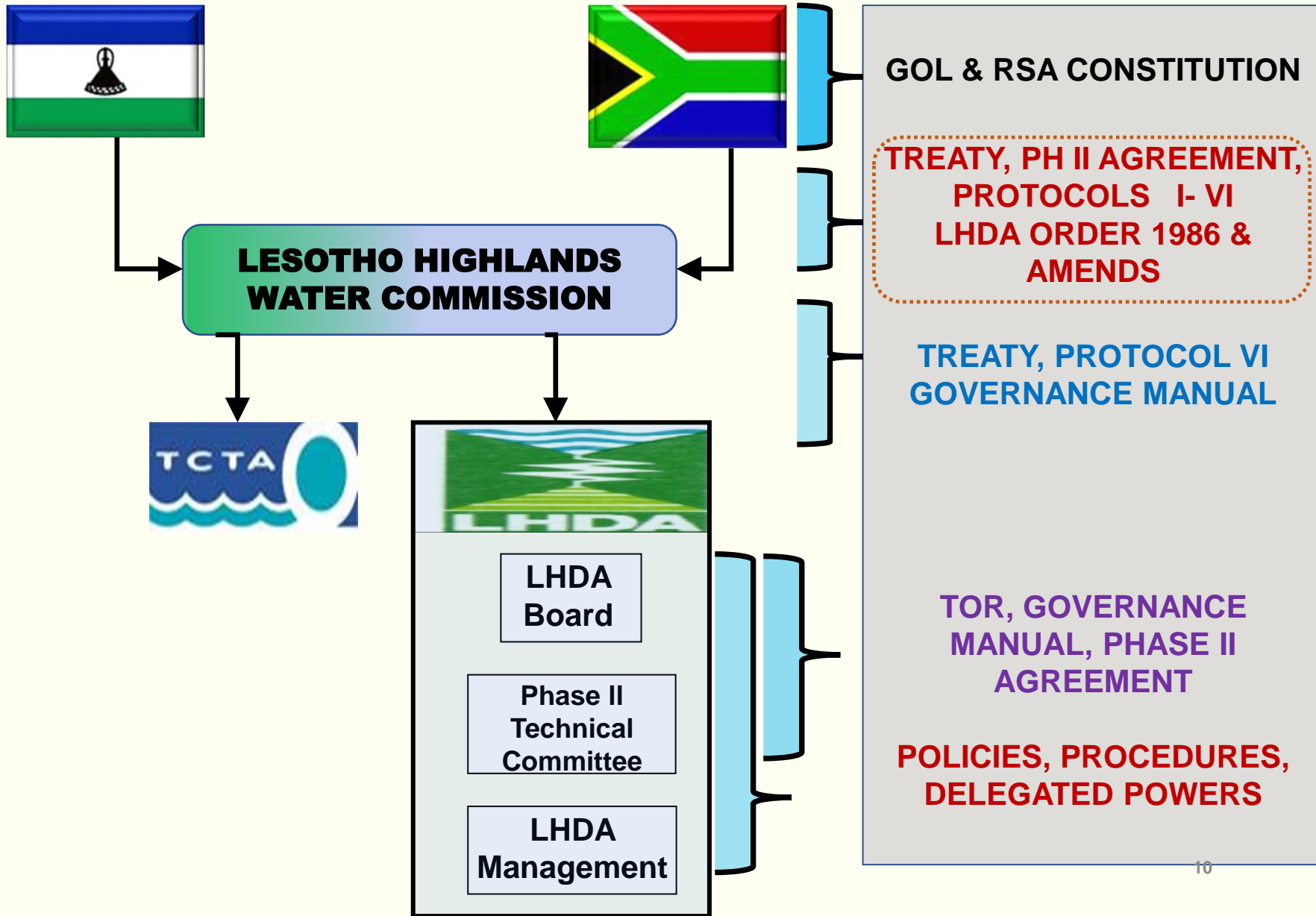
- **All decisions of LHWC, its Treaty, require the agreement of both delegations
i.e. Decision making by consensus**

LHWP Governance structure

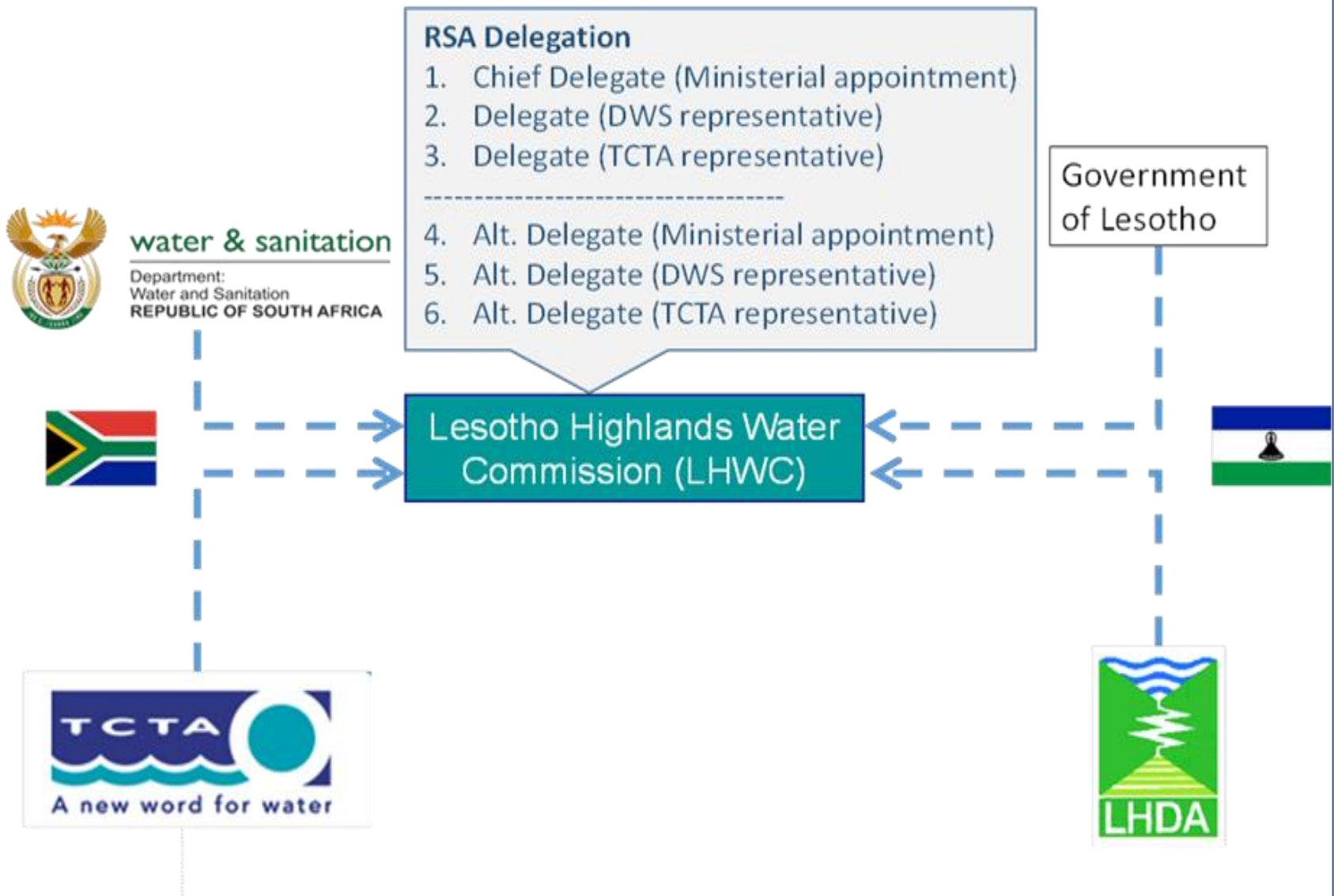
Three institutions were set up to implement the Treaty provisions:

- The **Lesotho Highlands Development Authority** (LHDA) through Article 6 (4), which is responsible for all project activities within Lesotho;
- the **Trans-Caledon Tunnel Authority** (TCTA) through Article 6 (5), with responsibility over project funding strategy and other related activities in South Africa; and
- The **Lesotho Highlands Water Commission** (LHWC) through Article 9, which is responsible towards to two governments for the successful implementation and operations of the project and has approval, monitoring and advisory powers in terms of the Treaty

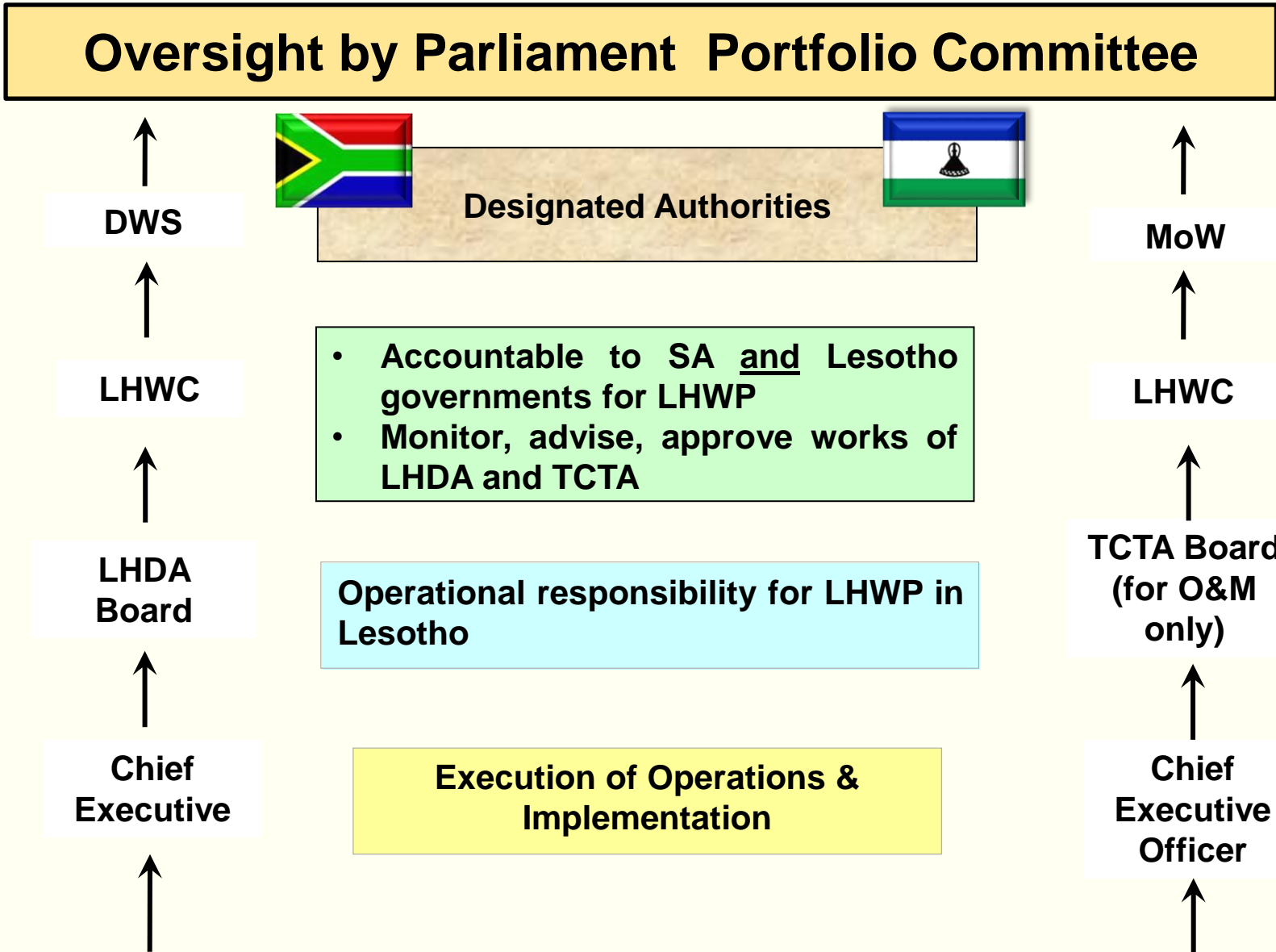
PROJECT GOVERNANCE INSTRUMENTS



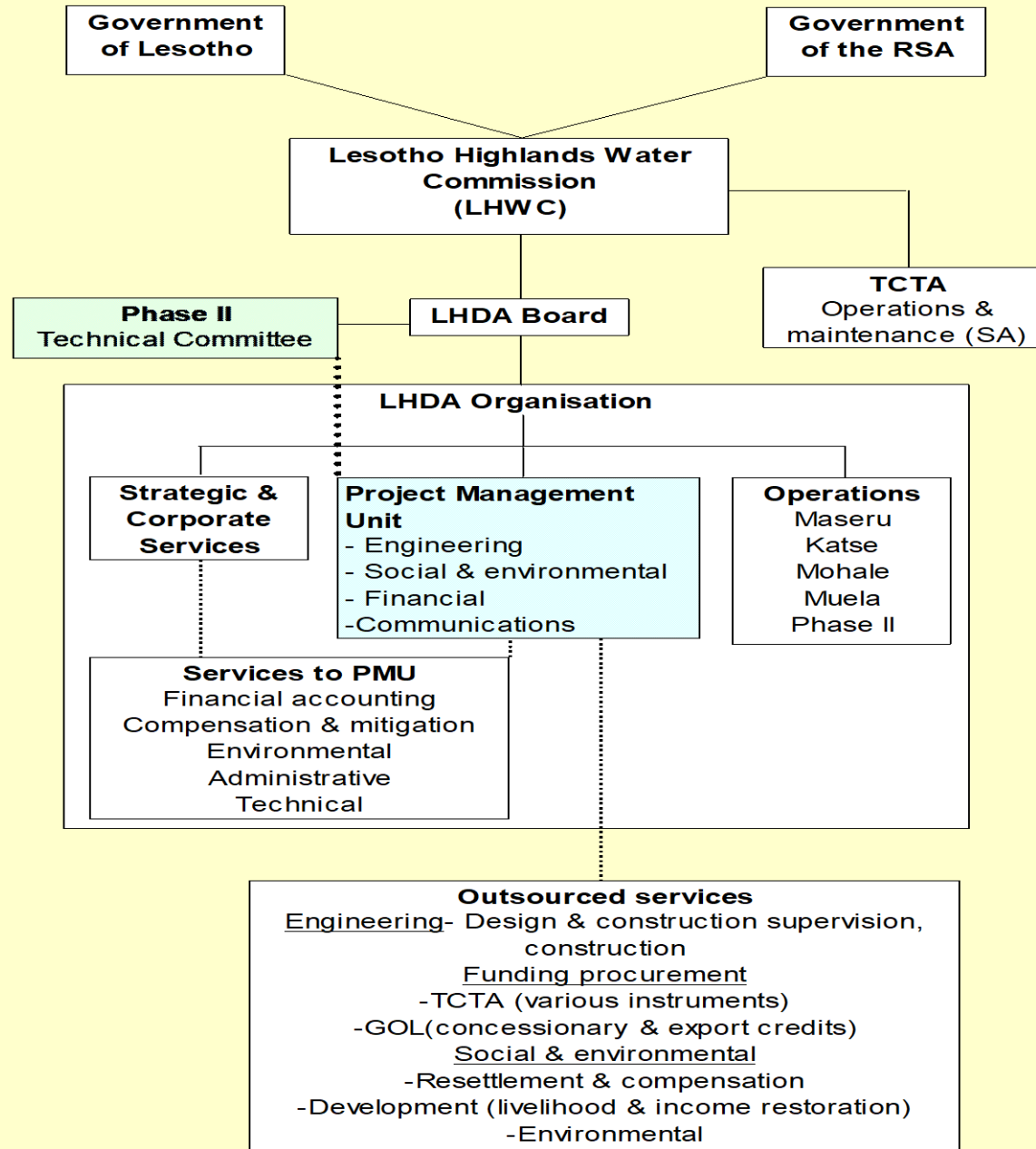
Proposed Arrangement



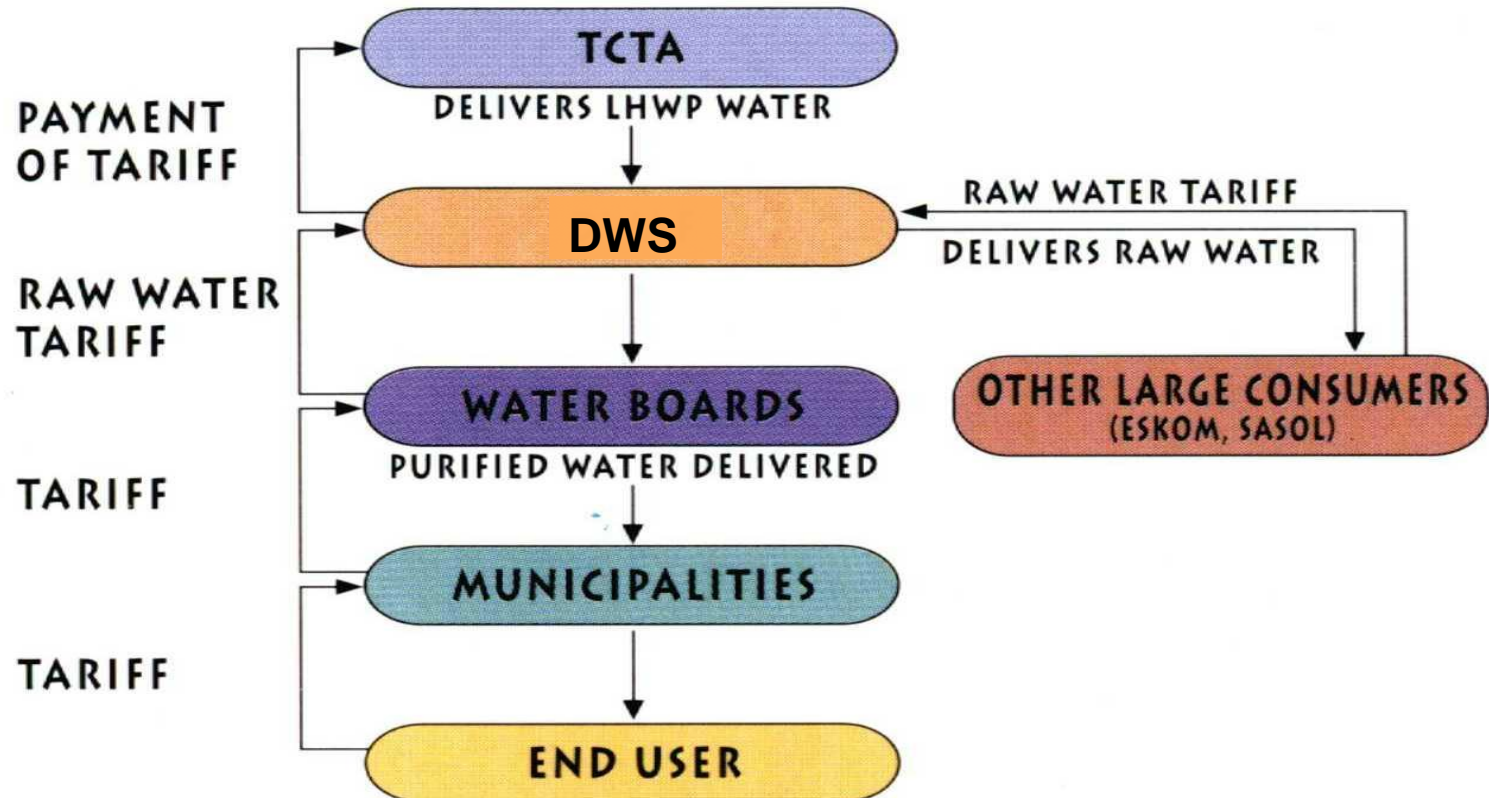
ACCOUNTABILITY FRAMEWORK



PHASE II : PROJECT GOVERNANCE & LHDA STRUCTURE



WHO PAYS FOR WATER TRANSFER FEATURES?



Funded by water users **not** RSA taxpayers

DWS role in the implementation of the LHWP (1 of 2)

- Article 9 (1) of the Treaty requires that each Party (DWS) to the Treaty nominate three representatives constituting its Delegation, as well as an Alternate for each of the nominated representatives.
- The RSA Representatives are fully accountable to and reports to the DWS for its functional responsibilities and therefore all RSA representatives are functionally accountable to and report to the DWS.
- The DWS will determine the resourcing requirements for the RSA representatives in Maseru and to ensure that the office is adequately capacitated with able, skilled and professional individuals to enable them to full filled their functions as defined in the Treaty and in mandates from the Minister of Water and Sanitation.

DWS role in the implementation of the LHWP (2 of 2)

- The DG plays an enabler role with counterpart Principal Secretary in Lesotho to resolve issues that cannot be concluded by the Commission
- DG gives a mandate and approves Tender Submissions submitted by the Delegation.
- DWS coordinates and facilitates South Africa's participation in the Senior Officials meeting and the Minister's meeting on the implementation of the LHWP.
- Facilitate and Coordinate the meetings between RSA and DG prior LHWC meetings to obtain the mandate from the DG/Minister from time to time.
- Coordinate and facilitates the Departments participation at the Joint Bilateral Commission for Cooperation.

DWS relationship with TCTA (1 of 2)

- The Trans-Caledon Tunnel Authority was established by Notice No. 2631 in Government Gazette No. 10545 dated 12 December 1986, as amended by Notice No. 277 in Government Gazette No. 21017 dated 24 March 2000 and is a water management institution operating in the water sector, inter alia in the funding and implementing of bulk raw water infrastructure development projects, as directed by the Minister of Water and Sanitation from time to time.
- In terms of the Notice of Establishment, TCTA is designated as the funding/payment agency on behalf of the Republic of South Africa (DWS) in respect of the LHWP, has a duty to fulfil the financial obligations of the Republic and bears responsibilities in terms of the Treaty relating to that part of the LHWP located in the Republic.
- TCTA is responsible for project financing

DWS relationship with TCTA (2 of 2)

- The employment terms and conditions with regard to the appointment of the Delegates and Alternates:
 - are subject to TCTA's policies and terms and conditions of employment
 - DWS and TCTA, shall ensure that written employment contracts are concluded with their respective employees;

- Seconded officials to the Project are also subject to the employment terms and conditions of the TCTA

Responsibilities of the Chief Delegate and RSA delegation (1 of 2)

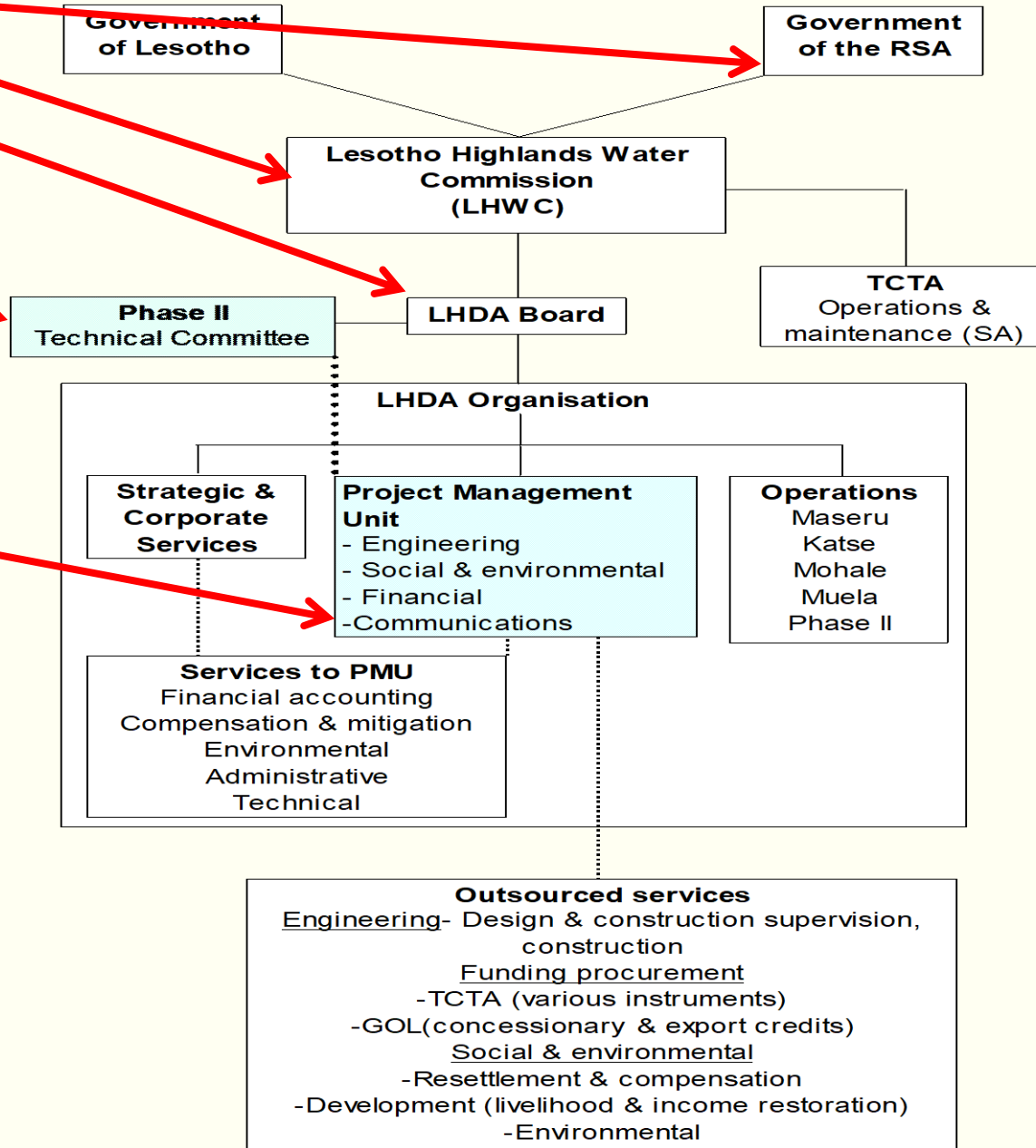
- Lead the RSA Delegation of the LHWC in representing the South African government's interest in the LHWP
- Regularly report project risks and progress to the Director General and TCTA Chief Executive Officer
- Facilitate speedy approvals on project related matters required from the office of the Director General in accordance within agreed operational frameworks
- Keep regular interaction and briefings on the LHWP with the South African High Commission in Lesotho
- Ensure compliance with the provisions of the LHWP Treaty and Protocols
- Works closely with counterparts in monitoring project risks including socio-economic related matters that may negatively impact on the project

Responsibilities of the Chief Delegate and RSA delegation (2 of 2)

- Ensuring implementation of and compliance with policies and procedures governing the operational relations with the LHDA and within the LHWC.
- Monitor and advise on the efficient implementation of Phase II of the LHWP in terms of key project objectives including budgetary control, meeting of timelines, technical specifications and environmental sustainability.
- Monitor and advise on efficient operation and maintenance of Phase I infrastructure
- Submit monthly and quarterly reports to Director General on project progress and key risks and report under SIP18
- Brief Minister on the progress of the LHWP II as an when required
- Manage the office of the RSA delegation in Lesotho and be prepared to travel extensively between Lesotho and South Africa

PHASE II : PROJECT GOVERNANCE & LHDA STRUCTURE

CHECKING and/or APPROVAL LEVELS



LESOTHO HIGHLANDS WATER PROJECT

TREATY

SUMMARY OF TREATY

PREAMBLE

- ARTICLE 1:** Definitions
- ARTICLE 2:** Designated Authorities at Government Level
- Relevant Gov departments/Ministeries
- ARTICLE 3:** Purpose of the Treaty
- Legal framework
- ARTICLE 4:** Purpose of the Project
- Water Transfer to RSA – 5 Phases
 - Hydropower development
 - Ancilliary development projects
- ARTICLE 5:** Project Implementation
- Phased developments
 - Phase 1 committed
 - Water – designated outlet point

- ARTICLE 6:** General Duties Regarding the Project
Establishment of LHDA, TCTA
- Annexure II delivery schedule
 - Adapt national legislation
 - Open, international tender processes
- ARTICLE 7:** Lesotho Highlands Development
- Authority
 - Implement project in Lesotho
 - General duties of LHDA – water deliveries and
 - Implementation
 - Governed by Board
 - Accounting systems and standards
 - Cost allocation
- ARTICLE 8:** Trans-Caledon Tunnel Authority
- Implement project in RSA
 - General duties of TCTA – water deliveries,
 - Implementation and O&M
 - Governed by Board
 - Accounting systems and standards
- ARTICLE 9:** Joint Permanent Technical Commission
- Two delegations (Les & RSA)
 - Monitoring, Approval and Advisory powers
 - List of approvals

- ARTICLE 10:** Cost Related Payments
- Costs wholly and reasonably incurred
 - RSA responsible for payments on Water Transfer
- ARTICLE 11:** Financing Arrangements
- LHDA and TCTA responsible to raise funds
- ARTICLE 12:** Royalty Payments
- Royalty rate methodology
 - Payment mechanism
- ARTICLE 13:** Payments with regard to Excess Water
Downstream Releases and Water Abstractions
- ARTICLE 14:** Procedure in Cases of Force Majeure
Definitions of Force Majeur
- Necessary measures to be taken
- ARTICLE 15:** Social and Environmental Considerations
Necessary measures
- ARTICLE 16:** The Prevention and Settlement of Disputes
- Dispute resolution mechanism

- ARTICLE 17:** Savings Clauses
- SACU, ESCOM power supply, etc..
- ARTICLE 18:** Procedure for Review and Revision
- Review at intervals of 12 years or other agreed times
- ARTICLE 19:** Entry into force upon signature of Treaty
- ANNEXURE I:** Project Description
- ANNEXURE II:** Minimum Quantities for Water Delivery
- ANNEXURE III:** Privileges and Immunities

PROTOCOLS

- 1 – Royalty Manuals**
- 2 – Caledon Works area**
- 3 – Apportionment of Phase 1A costs**
- 4 – Supplementary cost and funding arrangements**
- 5 – Taxes, dues and charges**
- 6 – Change in Governance**

PHASE II

AGREEMENT

CONTENTS

PREAMBLE

ARTICLE 1 – Interpretation and definitions of terms

- Annexures form an integral part of Agreement
- Terminology same meaning as in Treaty unless expressly changes
- Definitions

ARTICLE 2 – Purpose

- Legal basis for implementation of Phase II

ARTICLE 3 – Relationship with the Treaty

- **Treaty provisions remain valid unless otherwise determined in this Agreement**

ARTICLE 4 – Implementation of the Agreement

- **Parties shall implement, operate & maintain**
- **Execute all obligations in good faith**

ARTICLE 5 – Domestic implementation and enforcement

- **Ensure that domestic legislation is consistent with their obligation**
- **Parties inform each other of changes in relevant legislation**
- **Parties to ensure that all departments, ministries, authorities, etc.. are informed**
- **Prompt processing of work and travel permits**
- **Required trans-border measures are in place**

ARTICLE 6 - INSTITUTIONAL ARRANGEMENTS & GOVERNANCE

- LHDA Board and Technical Sub-committee
- LHWC members attend Technical Sub-committee in ex-officio capacity
- PMU
- Annual audit by independent firm of recognized International chartered accountants

ARTICLE 7 - OPERATIONAL ARRANGEMENTS

- The Operating Rule to be determined within 12 months of signature
- Criterion
 - optimal water security for RSA;
 - long term energy security for Lesotho;
 - compensation for the loss of benefits;
- Joint implementation of Operating Rule
- Royalty benefits

ARTICLE 8 - HYDROPOWER ARRANGEMENTS

- Kobong pump storage scheme form part of Phase II
- Awaiting the completion of the joint feasibility study
- RSA to facilitate sale of peak electricity from the Kobong pump storage scheme and purchase of electricity for the pumping

ARTICLE 9 - ELECTRICITY SUPPLY TO THE PROJECT

- Lesotho to supply electricity
- RSA also to supply electricity re: Treaty Art 17(4)

ARTICLE 10 - PROCUREMENT OF GOODS AND SERVICES

- Competitiveness, transparency, cost effectiveness and quality
- Preference order: Lesotho, South Africa, SADC & International
- Lesotho & RSA to share value of infrastructure work on 50:50
- Other main works Art 16(7) of Treaty applies
- Joint ventures – voluntary
- Preference margins – Party requesting shall bear cost increases
- International funding agencies – own procurement rules may apply

ARTICLE 11 - RECRUITMENT OF PERSONNEL

- Preference order: Lesotho, RSA & SADC
- Outsourcing of services
- Individual staff development through “on the job” training
- PMU staff recruitment

ARTICLE 12 - COST ALLOCATION PROCESS

- Method of apportionment of costs (refer to Annex II Table of features)
- Annual Cost to Funding report

ARTICLE 13 - FINANCING ARRANGEMENTS

- Cost effective and efficient financing
- LHDA & TCTA develop Funding Strategy
- Loans, credit facilities & other borrowings
- Existing funding arrangements of 1 April 2005 continues to apply
- Concessionary finance – excess availed to RSA
- Keep unutilized funds in interest bearing account

ARTICLE 14 - TAXES

- **New tax regime**
- **Provisions of Protocol V shall no longer apply**
- **Relevant provisions of this Article applies to Phase I O&M and Phase II**
- **RSA not liable for dues, taxes or charges except ...**
- **Dues, charges levied by Lesotho shall be paid to RSA**
- **VAT levied by Lesotho shall be paid to RSA**
- **Income taxes levied by Lesotho shall be paid to RSA – 30% administration fee withheld**
- **Lesotho retains income taxes levied on Lesotho Nationals**
- **Scope & application**
- **Contractors, consultants, service providers to monthly supply information`**

ARTICLE 15 - COMPENSATION

- Compensation policy to be developed
- Implementation in fair and prompt manner

ARTICLE 16 – ANTI CORRUPTION MEASURES

- Anti-corruption policy taking account of lessons learnt on Phase I
- Implementation

ARTICLE 17 – OPERATIONAL INVESTIGATIONS AND DISPUTES

- Procedure & process for settling disputes regarding operations of LHDA or TCTA
- Use of independent expert
- Implementation decision

ARTICLE 18 – SETTLEMENT OF DISPUTES

- Procedure & process for settling disputes regarding interpretation or application of Treaty or this Agreement
- Arbitral tribunal (Permanent Court of Arbitration)
- Implementation decision

ARTICLE 19 – ADDITIONAL ANNEXURES

ARTICLE 20 – AMENDMENTS

- **Parties may amend Agreement or Annexures**
- **Place of deposit**

ARTICLE 21 – DEPOSITARY

- **With LHWC**

ARTICLE 22 – ENTRY INTO FORCE

- **Enter into force when notice to each other Through diplomatic channels**

Annexures

- **ANNEXURE I** **Phase II Project Description**
- **ANNEXURE II** **Cost Apportionment Schedule of Project Features**
- **ANNEXURE III** **List of Dues and Charges**
- **ANNEXURE IV** **Income Tax Arrangements**
- **ANNEXURE V** **Minimum Quantities of Water for the Calculation of Royalties**
- **LESOTHO HIGHLANDS WATER PROJECT PHASE II MAP**

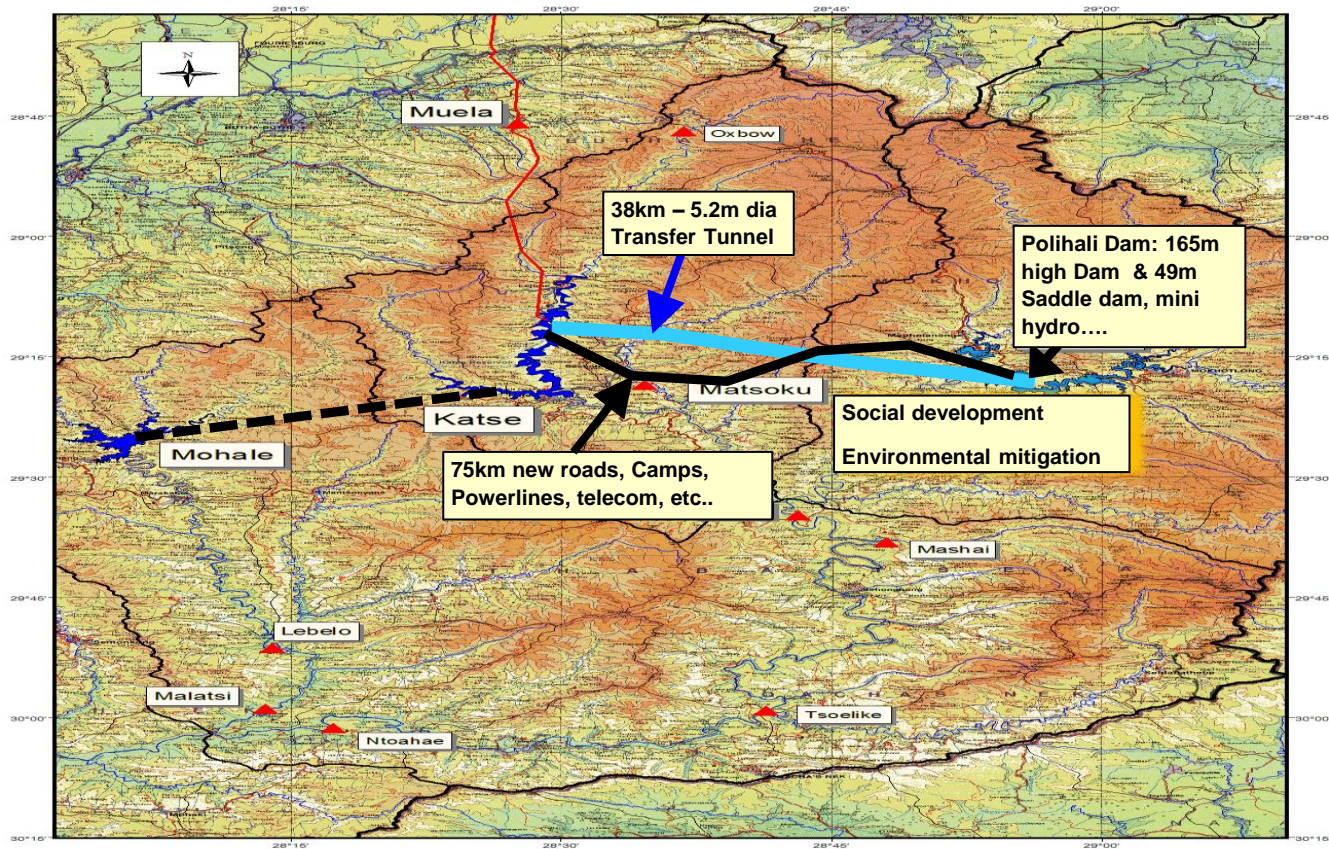
LHWP PROCUREMENT PRINCIPLES

- (i) To comply with the spirit and objectives of Article 6(17) of the Treaty (RSA minimum participation of main works) and Articles 10 and 11 of the Phase II Agreement (50:50 sharing of all Advanced Infrastructure works) as well as the provisions of Lesotho Public Procurement Regulations of 2007, Part III(12)
- (ii) To take relevant sections of the RSA BBBEE legislation into consideration, for the South African portion of consultancies/contracts
- (iii) To foster competitiveness and transparency while increasing participation of individuals from Lesotho, South Africa and SADC Member states.

PROGRESS of PHASE II IMPLEMENTATION

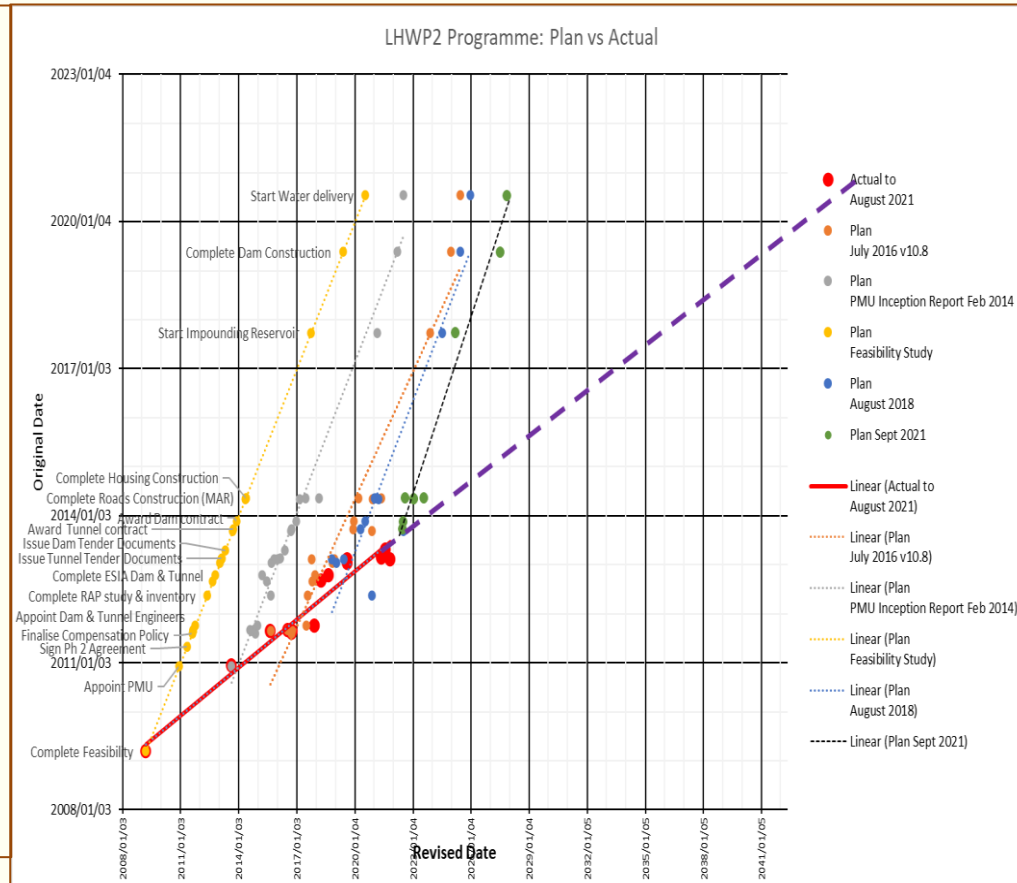
LESOTHO HIGHLANDS WATER PROJECT

PHASE II : PROJECT LAYOUT



Planned date for Water Delivery

- Feasibility Study: **July 2020**
- PMU Inception Report: **June 2022**
- Current Master Programme : **November 2027**
- Trendline projection: **2042**
- [Master Programme assumes no delay from present, hence most optimistic possible]



COSTS TO DATE (certified to end Aug 2021)

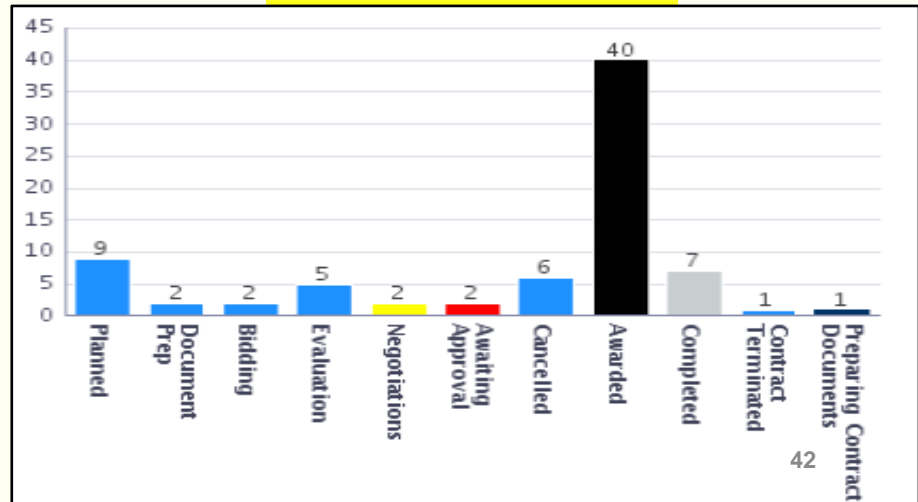
PHASE II : CRITICAL DATES	Date
<u>Designs</u> of advanced Infrastructure commenced	Apr 2015 – end Sept 2018
Tenders awarded for <u>construction</u> of Advanced Infrastructure	End June 2018 – Feb 2022
Tenders awarded for Polihali Dam <u>design</u> and Polihali Tunnel <u>design</u>	Dam - Jul 2017 Tunnel - Nov 2017
Award tenders for <u>construction</u> of Polihali Dam and Tunnel	Dam - May 2022 Tunnel – May 2022
Start impounding water in Polihali Dam	From Mar 2025
Water delivery to augment Katse Dam for RSA deliveries	From Nov 2027

Cost by Category	Revised LTCP (Nov 2020)	Revised LTCP (May 2021)	Cost to Date (Aug 2021)	Expended %
Engineering	2,182,557,156	2,196,635,911	528,068,946	24,0%
Main works	13,987,639,958	13,987,639,957	466,974,556	3,3%
Advanced – infra.	5,593,229,935	5,796,571,140	1,780,160,497	30,7%
Administration & PMU	553,826,789	553,826,789	482,688,816	87,2%
Environmental & Social	1,237,069,846	1,238,467,032	165,230,363	13,3%
Sub-totals	23,554,323,684	23,773,140,829	3,423,123,178	14,4%
Escalation – LSL	3,839,717,362	4,149,490,394	301,021,047	7,3%
Escalation – Forex	3,558,082,876	4,062,104,425	79,072,755	1,9%
	30,952,123,922	31,984,735,648	3,803,216,981	11,9%
Contingency	1,610,166,217	4,075,319,797	738,354,428	18,1%
Total	32,562,290,144	36,060,055,445	4,541,571,409	12,6%

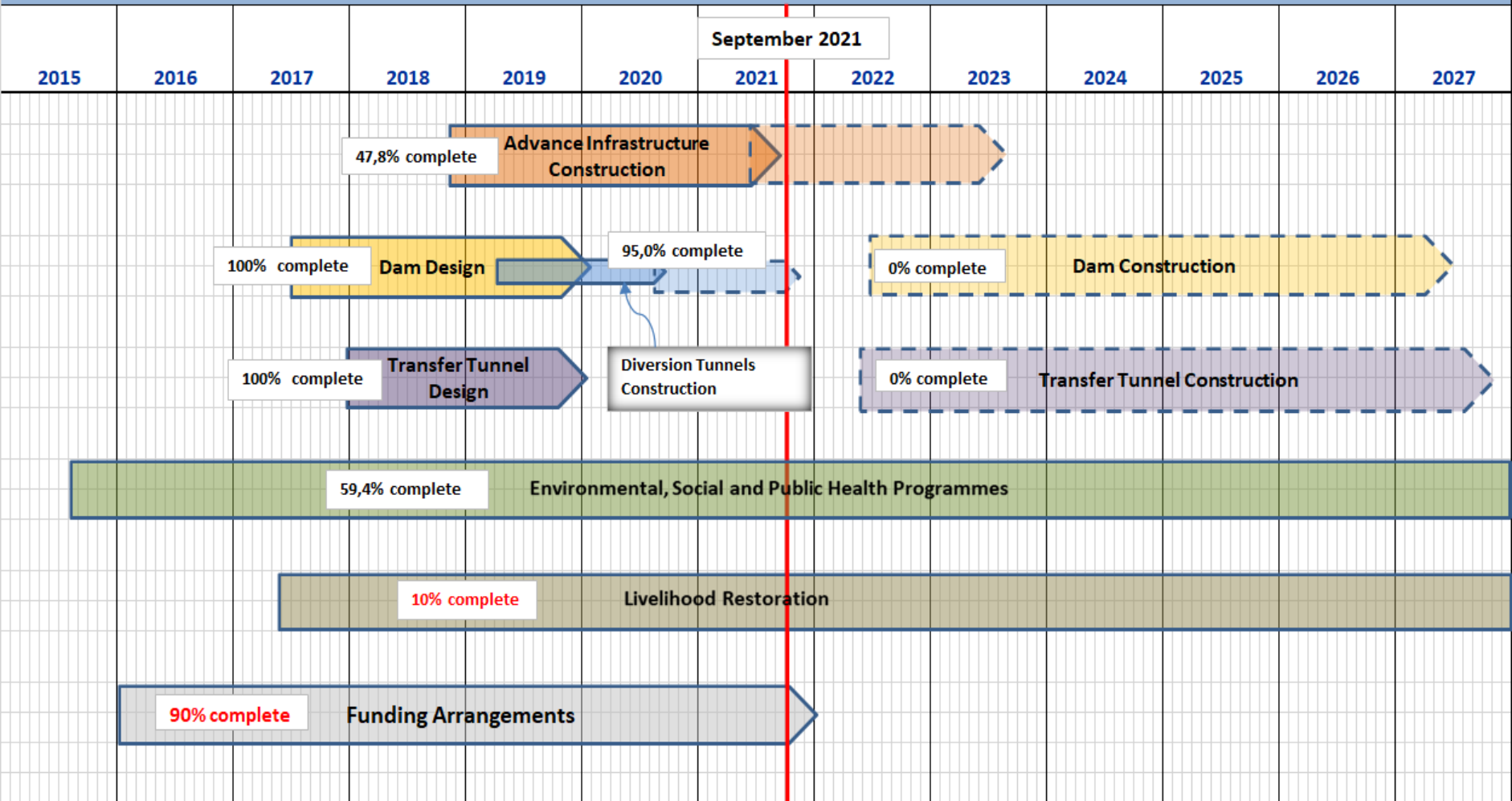
PROCUREMENT PROGRESS TO DATE

- **Baseline studies completed:** Socio Economic, Public Health, Environmental releases and Biophysical baseline studies completed.
- **Advance Infrastructure:** 2 Advance Infrastructure construction projects awaiting approval.
- **Polihali Dam:** The Tender for construction of the dam was advertised on 09 August 2021. Tender submission date is 7 January 2022.
- **Polihali to Katse Transfer Tunnel:** The Tender for construction of the tunnel was advertised on 21 May 2021. Tender submission closed on 25 October 2021,

PROCUREMENT STATUS TO DATE (ALL WORKS)



LHWP PHASE II - MASTER IMPLEMENTATION PROGRAMME



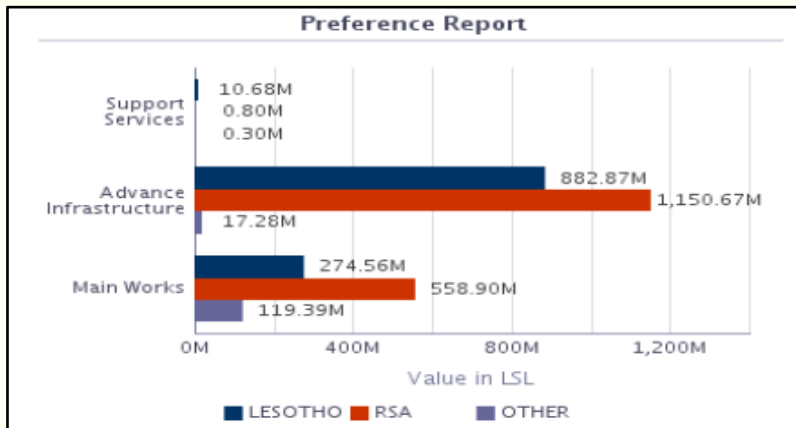
LEGEND



Planned Contract Duration

Actual Contract Duration

CONSTRUCTION and CONSULTANCY CONTRACTS to date



Notes:

1. Target participation: 50:50 RSA:LES share of Advanced Infrastructure works
2. Min 50% participation by RSA on Main Works (Dam and Tunnel) design
3. Min 30% participation by RSA on Main Works (Dam and Tunnel) construction

The cost of the Dam and Tunnel and Major Bridge construction is not included above as the tenders are to be awarded on by the May 2022

CONSTRUCTION CONTRACTS to DATE	TARGET				ACTUAL SPENT			
	LESOTHO	RSA (TRSA)	RSA BLACK	LESOTHO + RSA (TTS)	LESOTHO	RSA (ARSA)	RSA BLACK	LESOTHO + RSA (TAS)
Goal A: Employment	161,515,461 51.87% of TTS	149,871,005 48.13% of TTS	88,595,307 59.11% of TRSA	311,386,466	192,820,084 58.69% of TAS	135,746,941 41.31% of TAS	62,118,690 45.76% of ARSA	328,567,025
Goal B: National Participation	1,100,700,125 41.96% of TTS	1,522,560,467 58.04% of TTS	282,532,633 18.56% of TRSA	2,623,260,592	730,178,851 43.19% of TAS	960,491,911 56.81% of TAS	389,263,251 40.53% of ARSA	1,690,670,762
Goal C: Procurement	363,382,143 24.72% of TTS	1,106,622,425 75.28% of TTS	202,159,068 18.27% of TRSA	1,470,004,568	644,462,112 49.22% of TAS	664,847,967 50.78% of TAS	233,647,042 35.14% of ARSA	1,309,310,079
Goal D: Enterprise Development	181,203,484 47.51% of TTS		200,201,962 52.49% of TTS	381,405,446*	321,998,023 70.48% of TAS		134,882,295 29.52% of TAS	456,880,318*
Goal E: Skills Development				23,740,166				13,979,020

Future Contracts To Be Awarded In 2021 – 2024 And Target Dates For DWS Approval

Contract No.	Contract Name and Description	Latest date for DWS approval	Target dates for award
LHDA 4005DR	Phase II Telecommunications Infrastructure Installation	14 Nov 21	14 Dec 21
LHDA 4018C	Polihali Operations Centre Construction	Approved	14 Dec 21
LHDA 4018B	Polihali Village Construction	Approved	31 Oct 21
LHDA 4018E	Katse Lodge Building Construction Upgrades	Approved	Awarded
LHDA 4018D	Polihali Commercial Centre Construction	22 Jan 22	22 Feb 22
LHDA 4020	Construction of Polihali Dam	28 Apr 22	28 May 22
LHDA 4021	Construction of Polihali to Katse Transfer Tunnel	13 Apr 22	13 May 22
LHDA 4019A	Senqu Bridge Construction	23 Apr 22	23 May 22
LHDA 4019B	Khubelu / Mabunyaneng Bridge Construction	19 Aug 22	19 Sept 22
LHDA 4010	Construction of Feeder Roads	19 Nov 23	19 Dec 23

COMPENSATION AND MITIGATION MEASURES

Review of Phase I Compensation Master data – completed in 2019

- ❑ Awaiting approval of resolutions from LHWC to correct Compensation Master Data

Upgrading and re-engineering of compensation processes

- ❑ Upgrading of payment system completed in March 2021
- ❑ Creation of Assets & Beneficiaries = 100% complete
- ❑ Payment process = 95% complete
- ❑ Complaints process = 95% complete
- ❑ Court Order Process = 95% complete
- ❑ Change of beneficiary process = 100% complete
- ❑ Collection of Maize process = 100% complete
- ❑ Rollover process = 65% complete

- ❑ Re-engineering will be completed in September 2021

MAIN RISKS

Risk description		Probability	Impact
1	Lesotho Taxes	High	Unfair taxation by Lesotho. Definition by LRA of a South African expatriate. Increased cost of implementation. Action: Another attempt to resolve internally started. Estimated current amount is R25 mil.
2	Garnishee order on TCTA and LHDA	High	Garnishee order served on TCTA and LHDA iro a contract entered into by Gov of Lesotho and not honoured. TCTA, LHDA and Gov Lesotho have appointed external legal council to contest.
3	Government initial refusal to grant quarry and blasting permits to Phase II contractors	Very high	This will result in construction delays and claims by contractors. Undue delay of awarding of licenses will increase construction costs and delays in construction of the dam
4	Lender's requirement: No Objection letter from Namibia	Med - High	Funding will not commence until No Objection is received Action: DG to meet Namibia
5	Delayed Approvals	Very high	Schedule and cost. Delayed approval by authorities of contracts award, variation orders resulting in increased costs and delay to the project schedule.
6	Covid-19	Med - High	Slower progress and increased costs due to border restrictions, limited working hours, reduced staff, shortage of materials and fuel, provision of additional accommodation and PPE.
7	Domestication of Phase II Agreement, taxes, work-permits, licenses	Very high	Lack of domestication by Lesotho causes delays in issuance of Work permit, quarry licenses and Blasting permits. GOL to reportback at next PS:DG meeting

POLITICAL AND LEGAL ISSUES

Political

- Political instability in Lesotho
- Review of Treaty
- Royalty recalculations
- Transfer of obsolete assets
- ICM failures: Muela / Matsoku
- Compensation-related issues
- Livelihoods program failure
- Wetlands conservation/rehab

Legal

- Fraser Solar Garnishee
- Work permits
- Mining/quarry licenses
- Blasting permits
- Diamond / sand mining in SDA
- Domestication: Tax: Article 14 of Phase II Agreement
- Border crossing/customs
- Immunities for delegates

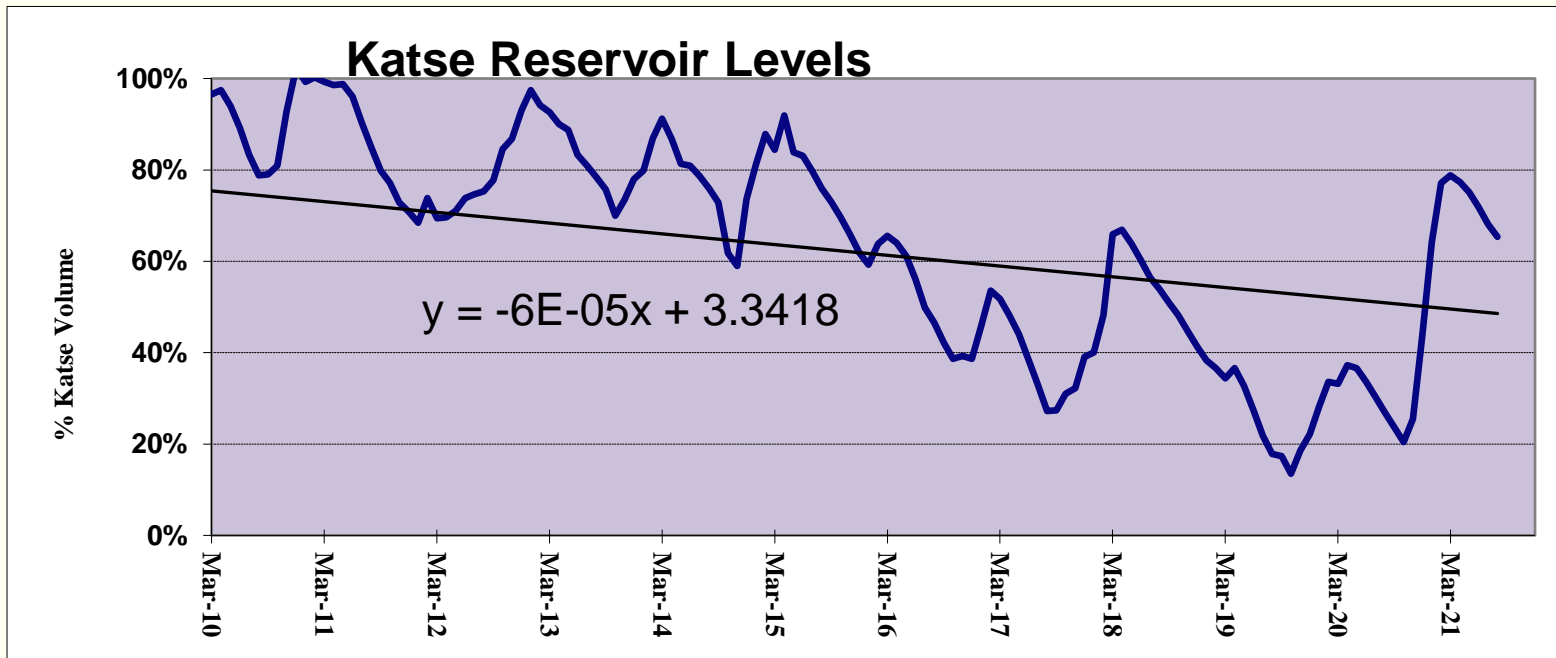
PHASE I : CONSOLIDATED OPERATIONS and MAINTENANCE for 2020/21

<u>WATER DELIVERIES and ROYALTIES</u>	2021	2021	BUDGET	BUDGET
	ACTUAL	BUDGET	Variance	Variance %
Water deliveries	779.92 Mcm	780 Mcm	0.08 Mcm	0.01 %
Royalties	R 1 042 mil	R 1 026 mil	R 16 mil	1.54 %

OPERATIONS and MAINTENANCE MATTERS DEALT WITH

Issue	Progress/Discussions
Tunnel Outage (2024)	Awaiting signed approval letter from DWS minister. Delay in receiving this is causing delays in contingency plans to ensure adequate water supply to RSA towns during the outage. Both LHDA and the TCTA are busy to arrange tender documents to appoint specialist contractors and other service providers.
Water Transfers (2021)	LHDA is busy to "catch up" on previous years' deficit. An additional 122 million m ³ will be transferred during the current year.
Plugging of Katse Dam diversion tunnel	Critical to plug the remaining diversion tunnel as the gate is leaking. LHDA is considering to cancel the tender due to possible conflict of interest.
Katse Dam Mini Hydro plant	The Japanese government indicated their interest to replace the redundant system. Regular meetings are taking place between LHDA and the Japanese representatives.
Undertake Finite Analysis of all the Phase 1 dams	Will be done in phases; first phase is to draft a detailed terms of reference. Mr Louis Hatting has been appointed to draft the terms of reference. Busy to draft..
Pelaneng Adit	The adit must be rehabilitated in order to be able to use it as an access to the tunnel during the next outage. Two tenders received from contractors, busy with the evaluation
Matsoku Weir	The diversion weir is prone to blockages due to silting and debris. LHDA is investigating the best option to address the problem, had several discussions with supplier who can supply a mechanical rake.
Mohale Tunnel outlet shaft	Dewatering pumps problematic. LHDA is investigating whether a more effective system exist. Will then make a decision whether to repair the existing system or to replace it
Mohale Tunnel and Matsoku Tunnel flow meters	Mohale tunnel flow meter sensors damaged. Can only be relaced once tunnel is de-watered. Operating rules require that the tunnel not be de-watered at intervals less than 5 years. Sensors to be repaired during a next scheduled de-wartering. Matsoku flow meter to be repaired but the original supplier (from Germany) hesitant to go to site for such a small job. LHDA investigating other suppliers
LHDA/TCTA/DWS liaison meetings	Quarterly meetings take place.
DWS technical assistance to LHDA	Minister has approved that specific DWS staff may cross the border for assistance to the LHDA. DWS still to nominate a DWS official as the co-ordinator on behalf of DWS

Impact of climate change/ Dam levels



Silt in Muela



Project related Challenges and Recommendations

IMMINENT THREATS

- Namibia's objection to Phase II
- Shutdown of tunnel for inspection: October 2024 to March 2025
- PMU reconfiguration Dec 2022: full outsourcing vs hybrid model
- Covid-19: border restrictions and supply constraints
- Political tensions resulting from deepening poverty and drought in Lesotho
- Climate change: no longer a future risk but present threat
- Project delays and associated cost escalations



KEY CLARIFICATIONS

TCTA

- Institutional arrangement in Treaty/Protocol VI: TCTA reports to LHWC on O&M of Delivery Tunnel North
- Protocol VI – Makes provision for Minister to give additional functions
- Additional Functions – Phase II Funding and debt management

PMFA AND NATIONAL TREASURY REGULATIONS

Applies to RSA Government Departments and SOEs

LHWC – A legal entity promulgated in Lesotho

LHDA – A SOE in Lesotho not RSA

AUDITOR GENERAL

- Mandate to audit all RSA government departments and SOEs
- Obligation to give assurance on flow of funds out of TCTA & DWS
- No jurisdiction over LHWP project related expenditure



Composition of the RSA Delegation to the LHWP from 2021 to 2025

APPOINTMENTS	DELEGATES		ALTERNATES	
	DELEGATES		ALTERNATES	
	POSITION & NAME	TERM OF OFFICE	POSITION & NAME	TERM OF OFFICE
Ministerial appointments	Chief Delegate (filled) Mr Teboho Nkahle	June 2021 to 2025	ALTERNATE CHIEF DELEGATE (filled) (Ministerial appointment) Dr Musa Furumele	June 2021 to June 2025
DWS nominations	Mr Vusi Nhlapo	Contract was extended from February 2021 to 2023	Mr Leon Tromp (retiring April 2022) to be replaced by the DWS recommended Official	(seconded since Phase 1 (1989) , retiring in Apr 2022)
TCTA nominations	TCTA recommended official	Expire 2021 to be replaced by recommended nomination if not extended till 2025	Mr Piet Swart TCTA official	(seconded since Phase 1 of the Project) September 2021 to 2025

Capacitation of the RSA Delegation office in Maseru

RSA Delegation Office in Maseru

- The main function of the LHWC is to monitor the implementation of the projects by the Lesotho Highlands Development Agency (LHDA), to provide advisory services with regards to activities, and most importantly to approve the main activities of the LHDA which include inter alia, awards of contracts, budgets, funding arrangements, environmental action plans etc.
- During the implementation of Phase 1 of the LHWP the RSA Delegation was fully resourced, including a fully staffed Office in Maseru in order to represent SA's interest in the LHWC and to oversee the implementation of the LHWP.
- With the commencement of LHWP Phase 2, during 2017, a review of the resource requirements was undertaken to ensure that the RSA Delegation structure could be appropriately resourced to address the implementation stage. As an outcome of this review the resource requirements were increased from 15 to 20.
-

- Based on information provided by TCTA, there are 4 posts in the current structure which are vacant. **These vacancies should be filled as a matter of urgency. Given that the project is now moving from the design and tender documentation stage to construction of the tunnels and the dam wall, there is a need to once again review the RSA Delegation office structure in Maseru to ensure that we are able to protect and advance the interests of RSA.**

Actions taken:

1. RSA Del and TCTA in process of filling all vacant posts as soon as possible.
2. Review of the RSA Delegation office structure be conducted by TCTA and RSA Delegation in order to protect RSA national interest

No Objection from Namibia (1 of 3)

No Objection from Namibia is a condition precedent for Lenders, funding will not commence until the No Objection is received. This letter is required by TCTA in order to raise funding for the project.

Legal Premise:

ORASECOM Agreement and Southern African Development Community (SADC) Revised Protocol on shared water courses

Notification process done:

- Namibia was duly notified on 15 April 2008 of the developments and progress regarding the feasibility study for Phase II and its future implication to the watercourse.
- On 21 July 2008, Namibia appreciated the notification and acknowledged the impact of the outcome of the feasibility it brings as it recommends future developments within the basin. In the same vein, Namibia stated that it anticipated that it will not object to the Phase II of the LHWP, but requested that it be provided with information and preliminary reports throughout the process. Namibia was at all times, during the progressing of the feasibility study informed of the developments thereof.
- In terms of the provisions in the ORASECOM Agreement and the SADC Protocol, Namibia should have delivered its objections, if any, within 6 months of the date of notification or the delivery of reports (not later than say 30 November 2010)
- No further communication on this matter after 21 July 2008 was ever received from Namibia by any State party, LHWC or by Orange Senqu River Commission (ORASECOM) until 5 February 2020.
- Relying on the Namibian letter of 21 July 2008, on its subsequent silence, and on the provisions in the ORASECOM Agreement and Southern African Development Community (SADC) Protocol, the Lesotho and RSA delegations jointly forming the LHWC, reasonably and honestly believed that by implication Namibia had no objection. Because of this, the LHWC proceeded with very substantial additional work and incurred very significant expenses.
- Namibia's failure to respond before 30 November 2010 has resulted in a "deemed no-objection" and a waiver of its right to object at a later stage. Therefore, Namibia is not entitled to impose the conditions per paragraph 2 of its letter dated 8 October 2020. A formal legal opinion in this regard has been obtained and confirms this position.

Proposed Noordoewer/ Violsdrift Dam



No Objection from Namibia (2 of 3)

- On 15 January 2020, Acting Director General of DWS requested the Namibian Ministry of Agriculture to furnish a letter of “no objection” after the special condition for a letter of no-objection from Namibia was communicated by the lenders, with its letter dated 15 January 2020
- The Namibian Ministry responded with a letter dated 5 February 2020, which pointed out to certain matters of concern and reservations on the part of Namibia.
- The matters raised by Namibia with the above letter were elaborated in great detail during the LHWC presentation to Namibia on 26 February 2020, during which it became quite obvious that the “concerns” were unreasonable and irrational. Namibia undertook to respond formally, after consulting her Cabinet.
- Namibia consulted Cabinet and responded to RSA on a letter dated 8 October 2020 with the following Conditions:

Namibia conditions:

1. Requires RSA to commit to the joint construction of the Noordoewer/Vioolsdrift Dam (NVD) to a size 2800 million m³ ;
 2. Requires RSA to give assurance of timeous water release of water for downstream use as required by Namibia.
 3. Requires RSA to promote and implement water demand management and water curtailment in Gauteng Province;
 - 4 Requires that a joint hydrological study to determine the minimum required flows in the Lower Orange River;
 5. Requires that the LHWC undertakes to carry out Environmental Impact Assessment (EIA) for the impacts of the LHWP II on the estuary; and
 6. Reminds LHWC that further phases of the LHWP (after Phase II) will impact on water availability downstream
- **Two meetings were held by DG and Executive Director (ED) to resolve the matter**

No Objection from Namibia (3 of 3)

Status to date:

- South Africa will submit a formal response on the six (6) conditions raised by Namibia in her letter dated 8 October 2020 (Ministerial submission has been drafted and on-route to the office of the Minister).
- The LHWC will also formally respond to conditions 5 and 6 raised by Namibia, which were addressed to the LHWC. These conditions related to the Environmental Impact Assessment on the Orange River Estuary and possible future impacts associated with further phases of the LHWP (after Phase II). (The LHWC is addressing this requirement in consultation with the Lesotho Delegation).
- The meeting agreed that the required further studies for the NVD project, including a technical review of all NVD feasibility study and other relevant reports, should be carried out.

Recommendation

- **Minister to sign the reply letter to the Minister of Namibia that the Department has prepared;**
- **Minister to engage the two Ministers of Lesotho and Namibia at the forthcoming Forum of Ministers in the Orange Senqu River Commission to be hosted by RSA as the oncoming Chair of the Orange Senqu River Basin Commission.**

Delays in approvals : Delegation of Authority

The long approval times that the Commission and the Department took in the past to approve tenders and variation orders above the R50m mark.

GOL position

- Lesotho is contesting the validity of the RSA Chief Delegate's DOA of R50m as that is not a Treaty conditions nor taken up in the Protocols. Their motivation is that the time taken to obtain approvals, materially affect project progress, cost and motivation and LHDA staff.

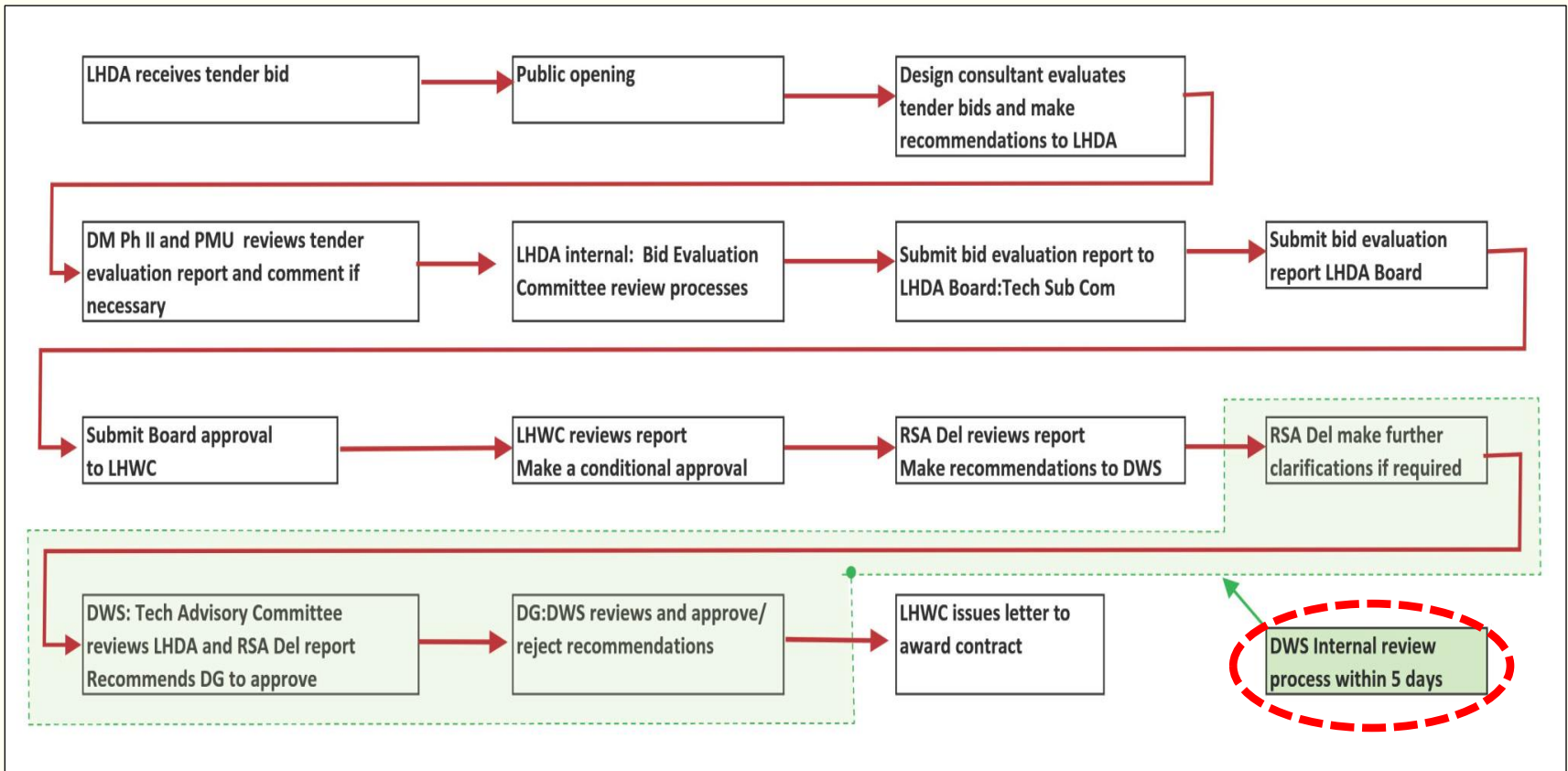
RSA position

- DWS has established Committee constituting of DWS and TCTA team to consider tender documents above 50 million in order to assist the Acting DG;
- The LHDA must provide independent assurance on all procurement related aspects of the project above the R50 million;
- The Department is considering the Project Charter and the request for lifting of the 50 million cap on the delegation of authority

Outcomes after Ministers meeting of 28 Oct 2021

- DWS approved the Project Charter
- DOA of RSA Delegation increased to R100 mill subject to specific reporting requirements
- DWS to deal with all requests for approval within 5 days.
- Notes the commitment made by the RSA Delegation to consult the DWS about any deviations from the Phase II Project Charter and obtain approvals for any material deviations from the project budget, scope and programme.
- The LHDA must provide independent assurance on all procurement related aspects of the project above the R100 million;

PHASE II – BID EVALUATION AND APPROVAL PROCESSES



Project Delays and Costs

Professional Services Contracts

- ❑ Client Approval Process
- ❑ Scope Change (primarily late Client decisions regarding access roads plus Main Works geotechnical investigations due to late award of engineering contracts).
- ❑ Extended site supervision due to construction delays.
- ❑ Permitting & COVID-19 Regulations by GoL & RSA

		Declared Elays, Days						
Contract		Scope Change	Client Approval	Extended site supervision	COVID-19 Regulations	Permitting	Other	TOTAL
TOTAL		1455	2391	506	188	175	415	5130
% of Total		28%	47%	10%	4%	3%	8%	100%

		Cost LSL						
Contract		Scope Change	Client Approval	Extended site supervision	COVID-19 Regulations	Permitting	Other	TOTAL
TOTAL		142 859 834	136 754 208	33 423 225	11 276 189	12 799 533	-	337 112 989
% of Total		42%	41%	10%	3%	4%	0%	100%

Project Delays and Costs

Construction Contracts

- ❑ GOL Permitting: mining leases, explosives licenses, work permits
- ❑ Land Access
- ❑ COVID-19 Regulations
- ❑ Natural Causes: Flood & Drought
- ❑ Other: Housing consultant late drawings

		Delays Days						
Contract		Permitting	Land Access	COVID regulations	Flood & Drought	Community /Labour	Other	TOTAL
TOTAL		666	516	384	326	16	242	2150
% of Total		31%	24%	18%	15%	1%	11%	100%

		Cost LSL						
Contract		Permitting	Land Access	COVID regulations	Flood & Drought	Community /Labour	Other	TOTAL
TOTAL		109 912 784	23 123 820	87 681 867	5 712 628	3 572 639	67 499 742	297 503 480
% of Total		37%	8%	29%	2%	1%	23%	100%

Implementation of Article 14 (Tax)

- There exists a difference in opinion regarding the application of Art 14 of the Phase II Agreement between the Lesotho Revenue Authority (LRA) and the LHDA since 2017.
- The LHDA escalated the issue to the LHWC and the issue was escalated further to the Parties level.
- A number of high-level meetings took place with the LRA to try and resolve the issue, with no noticeable progress.
- LHDA further took their Department to court and won.
- At on of the PS/DG meeting, the Designated Authorities resolved that an interest-bearing account be established and that all the disputed taxes be paid into such dedicated account.
- The PS was responsible for facilitating the opening of the account. This has not been affected as yet.

Outcomes after Ministers meeting of 28 Oct 2021

Minister was given assurance by Lesotho that the gazetting of the Article is far advanced and approval/rejection by the Parliament is imminent.

Domestication of the Treaty by the GoL

Treaty and Phase II Articles

- Treaty Article 6 (13) Each party shall enact appropriate legislation to enable it to give effect to the terms of this treaty and to ensure all such legislation is enacted in time to allow effective implementation, operation and maintenance of the project
- Phase II Agreement: Article 5 (1): The Parties shall ensure that their domestic legislation is consistent with their obligations under this Agreement and the Treaty and shall, whenever necessary to give effect to the terms of this Agreement or the Treaty, enact new domestic legislation or establish or modify relevant or affected domestic institutions or authorities, procedures and practices.

Work Permits:

- The Lesotho government takes long to approve work permits for RSA contractors;

Quarry licences:

- The government wants to give quarry licences to other people other than the ones approved by the Commission. This is not in accordance with the Treaty.
- This matter was deliberated in court and the Lesotho Government lost the case. The latest information is that the Lesotho Government is resolving the matter.

Impact

- This will result in construction delays and claims by contractors. Undue delay of awarding of licenses will also increase construction costs and delays in construction of the dam. Claims to date lodged by contractors is R109 mill.
- In the short and medium term this will result in construction delays and possible legal action by service providers as South Africans are not given fair share of work.

Recommendation

Minister raised the matter with the counterpart

Granting of diplomatic immunities to Basotho Nationals serving on the LHWC

- Despite DIRCO having issued Diplomatic Certificates to Lesotho Delegates serving on the LHWC in August 2020, the Government of Lesotho (GOL) is alleging that the Diplomatic certificate is not recognized as a legal instrument by other South African Government Departments and this matter is being addressed by DWS, DIRCO and Home Affairs

Actions taken

Acting DG will meet the DGs of DIRCO and Home Affairs with a view to find a solution to the matter.

Recalculation of Royalties

Recalculation of Royalties

- TCTA received an audit finding from the AGSA that the royalties were not being paid in accordance with the provisions stipulated in the LHWP Treaty.
- A higher net benefit was adjudged to have been paid than would have been the case if the net benefit had been recomputed by the Parties around 2006.
- This overpayment is deemed to be a contingent asset for the SA, which may be reimbursed through a reduction to the Royalty payments made from the effective date of the recomputed rates.
- This matter has been escalated to the counterparts in Lesotho, through the PS/DG (GoL/DWS) platform, but remains unresolved.
- LHWC has established a working group to undertake the review.
- Calculations depend on a number of inputs, mainly the Schedule of Water Deliveries to South Africa as agreed upon by both Parties.

Operational Arrangements

- The schedule of Phase II water deliveries is the subject of the Phase II Agreement – Operational Arrangements.
- Recalculation and decision on optimized scheduling of Phase II future water deliveries likely to be concluded end Oct 2021.
- Negotiation Committees of both Parties appointed.
- Negotiations to agree on releases from the LHWP reservoirs that forms part of the Vaal-Orange System.
- **Results of finally agreed water delivery schedule/s will be used in above-mentioned Royalty calculations.**
- Second meeting held on 30 July 2021. Lesotho requested more time to consider results
- Third meeting to be held in week of 12 Nov 21.

Recommendation

- This matter is handled by the Commission and that both delegations have constituted a task team to work on the recalculation of royalties.
- Follow-up meeting with Lesotho to be held on 12 Nov 21 with a view to agree on an approach and timing for the recalculation of net benefits and royalties, preferably to be resolved by March 2022.

Frazer Solari GMBH v The Kingdom of Lesotho (CASE NO: 2020/ 3370)

- In November 2017 Mr Fraser made a proposal to officials of the Kingdom of Lesotho of its renewable energy project and sought to solicit the interests of the Kingdom in its proposal in light of renewable energy policy of the Kingdom of Lesotho.
- The Parties concluded a non-binding MOU on the 21 November 2017 with a view to sets out the parameters of the project proposal, namely, the installation of 36 000 to 40 000 SWHs and up to 1 Million LED lights in all Government buildings and homes of public servants over a period of four years.
- The project was to be funded through a German export credit loan procured from a German financing institution to the tune of 100 EUROS repayable over a period of 10 years.
- Following the negotiations between the parties, a written supply agreement was concluded at Maseru on 24 September 2018
- The agreement was signed by Mr Robert John Frazer on behalf of the claimant and Minister Temeki Phoenix Tsolo on behalf of the Kingdom of Lesotho.
- It appears the Kingdom of Lesotho reneged from the agreement and then gave the project to another service provider which led to a private arbitration since the parties in the aforesaid agreement had a clause which permits for the dispute between them to be settled in terms of the laws of the Republic of South Africa.

Frazer Solari GMBH v The Kingdom of Lesotho (CASE NO: 2020/ 3370)

- The Kingdom of Lesotho (KoL) did not respond to the notice within the agreed period and it resulted in the arbitrator being appointed by the Johannesburg Bar Council. It was consequent to this that the arbitrator orders for the payment of 50 000 Euro.
- The KoL failed to respond to almost 28 notices given to them regarding the arbitration proceedings.
- TCTA is dragged into this dispute because of the royalties they pay to the Kingdom of Lesotho as Mr Frazer is trying to attach anything that seems to belong to the Kingdom of Lesotho to satisfy its judgement as per the arbitration award. However, the Kingdom of Lesotho has since appointed ENSafrica in order to initiate processes that will result in the writ of execution being reviewed.
- However, TCTA may also challenge this writ of execution in our view and based the argument on the constitutionality grounds. However, this will also attract legal costs which TCTA never budgeted for and as such the proposal is that should TCTA considers to approach the courts, legal costs must be recovered from the royalties since this litigation would have been avoided had the Kingdom of Lesotho not reneged in the aforesaid agreement and had they responded to the notices referred to above

Frazer Solari GMBH v The Kingdom of Lesotho (CASE NO: 2020/ 3370)

- TCTA has settled the papers in support of the application brought by the Kingdom of Lesotho to rescind the warrant of execution. However, the legal team may, depending on the situation, prepare further papers taking a point on behalf of the Minister on the basis that it is for the Minister to raise as the Treaty is concluded between the RSA and Lesotho. TCTA attorneys led by Adv Wim Trengrove SC, and will amplify their views on this aspect in due course and communicate.
- However it does appear that the Minister of Water and Sanitation may be required to intervene and file a short affidavit in support of the aforesaid contention. TCTA's attorneys will attend to the drafting and settling of the affidavit in this regard.

LESSONS LEARNT:

1. Treaty requires implementation and operations to be done in accordance with international best practices. Not adhering to standards for delegation of decision-making to appropriately qualified professionals close to the coal face have already caused costly delays and this risk will increase on main contracts. Use of FIDIC contract conditions, which are recognised international best practices, provides for delegation of appropriate decision making authority to supervising Engineers. Whilst this practice was applied during implementation of Phase 1, it is not done currently with the resulting delays and cost increases.
 2. During first amendment of the Treaty (after 12 years?) lessons learnt from first years were the basis for changes such as : providing for a Governance Manual proving for approval of a Project Charter clearly outlining various policy matters to be adhered to; also providing for setting levels for decision making at various levels of the project structure; etc.
 3. Amendments included provisions for ensuring that appropriately skilled professionals are appointed at various levels in the LHDA, such as Board and sub-committees. These have been implemented successfully. This opened the door for skilled South Africans to become members of committees on technical comm's such as OMC, TSC.
 4. In the past dam engineering skills were located in DWAF/DWS head office members of RSA had a support base. Unfortunately this base has been depleted and reference to Pretoria is adding to delays and cost. Appropriate skills have now been provided in Board sub-committees.
-
1. Procurement rules for main projects need to comply with international practices, in particular those of funding institutions. Hence adherence to PFMA requirements is not a requirement of the Treaty. Funding for the LHWP is done "off-budget" supported by government guarantees for which the concurrence of the Minister of Finance is required.
 2. Treaty is a bi-national agreement, not subject to national legislation unless specifically so identified. Recent requirements insisting on compliance with PFMA provisions are a case in point.
 3. Currently a "tit-for-tat" reaction from GOL is experienced in the sense of delays with the domestication of certain arrangements provided for in the Phase 2 Agreement (permits, licences). This in reaction to the delayed decision making from RSA

REVIEW OF THE TREATY - MATTERS TO CONSIDER

TREATY AND TIMING

- ✓ Article 18 of the Treaty deals with “review and revision” of the Treaty. Article 18(1) provides for alternative cycles, provided the Parties so agree.
- ✓ It is **mandatory** to review the Treaty. This review cannot be vetoed by a reluctant Party.
- ✓ Treaty was signed in 1986 and that a major change was brought about through Protocol VI in 1998 and the subsequent negotiations that started in 2008, that addressed all Treaty and all Protocol matters at that time, and concluded in the signature of the Phase II Agreement in 2011. It stands to proof that the 12 year cycle has in general been followed. The next 12 year milestone date would then be in 2023. – enough time for comprehensive preparations.

Purpose and process

- ✓ The **purpose** behind Article 18 of the Treaty is to improve the working of the whole arrangement. Parties have an opportunity to reconsider all the operational, financial and practical aspects of the Project in the light of the experience made with its implementation.
- ✓ “Improvements” cannot, however, become effective and legally binding unless both the Parties also decide to formally to amend the Treaty or to adopt additional Annexures or Protocols. Consent of both Parties is required.
- ✓ No amendments can become effective unless both Parties agree to the wording and the intended effect. This implies **negotiations** between the Parties of the amendments to be adopted.
- ✓ The preparatory work was done by the RSA team should be recognized as to the extent still applicable, relevant and important.

IMPORTANT QUESTION TO CONSIDER

- ✓ “Does South Africa now at this relative early stage of implementing Phase II also want to review the Phase II Agreement ?”
The practicalities of including it must be carefully considered so as not to disrupt the implementation.

Concluding Remarks

- From a South African perspective, it is a national imperative to implement LHWP Phase II diligently. According to the Treaty arrangements and subsequent amendments, the LHWC is the key institution to give overall guidance to the project, and hence it is important that the RSA LHWC Office in Maseru be properly resourced and mandated in order to protect RSA national interest.
- There is a succession plan in place for senior staff within the RSA Delegation
- Delegates must take mandate from the Director-General and Minister on a regular basis before going to meetings and report back from time to time (preferably monthly)
- The reporting line from the LHWC to the DWS needs to be robust. The LHWC has oversight of the implementing agency (LHDA) of the LHWP- Phase II, and any variances in respect of cost, scope, milestones or delivery dates, as well as material risks, need to be reported to the DWS DG promptly. Greater DWS leadership and performance management are required for South Africa's Delegation, including direct DWS representation on the Delegation at a senior level.
- DWS and TCTA are considering working on Service Level Agreement to regulate the relationship between the RSA representatives, DWS and TCTA
- Minister should be briefed quarterly/monthly on the project progress



THANK YOU