1) INTRODUCTION

1. Protimos and its partner in Lesotho, the Seinoli Legal Centre (SLC), wholeheartedly endorse the World Bank safeguards submission from Oxfam and IDI, dated February 25th 2016. As will become apparent, the only area where Protimos and SLC would go further than Oxfam is on the question of whether livelihood “restoration” constitutes sufficient compensation for adversely affected peoples, under ESS5.

2. This submission is designed to draw attention to a case study that demonstrates many of the difficulties faced by communities who are involuntarily resettled. It pertains to the difficulties, in practice, of applying the Bank’s Framework in borrowing countries. We aim here to make two primary, interconnected recommendations, based on Protimos and SLC’s first-hand experience of working with involuntarily resettled communities in Lesotho. Protimos founded and has been working with SLC on these issues in Lesotho for over 8 years. Our two organisations work in partnership to provide legal services for communities displaced by Phase One of the Lesotho Highlands Water Project (LHWP). During the course of our work in the Highlands, Protimos and SLC have observed certain trends which are particularly relevant to the Bank’s safeguards consultation:

a) There is a vast disparity between the compensation process that was agreed upon and the reality, for displaced communities, on the ground.

b) Even if the compensation policy had been carried out to the letter, there was inadequate provision for capacity building for those who lost their livelihoods. This condemns many community members to poverty, particularly those who relied upon local natural resources to make a living, prior to their relocation.

c) The Lesotho Highlands Development Authority (LHDA), the implementing body of the project, has not only failed to pay the financial compensation it owes; it has also failed to implement development initiatives to ensure that communities re-establish their livelihoods and incomes.

d) Public information on LHDA’s activities is still lacking and the participation of stakeholders, especially civil society, is abhorred by the LHDA. This recently manifested itself on the 3rd March 2016, when lawyers from SLC were refused entry into a workshop organised by the LHDA, where experts had been called to talk about income generation and livelihood restoration programs in Phase Two LHWP.

3. Our recommendations follow from these observations.

4. First, the crux of any compensation policy needs to be entrenched in the law, and communities need access to adequate legal representation. Without concrete legal redress when guidelines are breached, there is a significant risk that such guidelines, regardless of how appropriate the language is, are never realised. Only a robust legal framework can compel those in authority to act.

5. Second, capacity building needs to be at the heart of any compensation policy. Capacity building constitutes access to technical assistance in addition to financial compensation. With adequate training, this financial compensation can help individuals establish their own small-scale economic projects, lifting themselves sustainably out of poverty. This, almost by definition, involves the Bank rejecting resettlement policies that leave communities with incomes that have only been “restored”, not improved. Mere restoration of incomes without capacity building would meet current World Bank guidelines and the draft safeguard policy (see, for instance paragraph 35 of proposed ESSS5). This approach should be rejected in favour of an explicit acknowledgment that such communities are to be given the means to actively extricate themselves from poverty.

6. On the first recommendation, paragraph four of Oxfam’s submissions is particularly relevant: “Only borrower frameworks that, in both law and practice, provide entitlements and protections to displaced persons that are consistent with ESSS5 should be considered.” The case study of the Lesotho Highlands Water Project (LHWP), below, demonstrates that in Lesotho, domestic “hard” law (as opposed to “soft” guidelines or best practice standards) has been the only recourse for displaced communities

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2 Ibid., para 4 (emphasis added)
abandoned by authorities. Further, the law as it stands, particularly in the LHDA Order 1986 as well as the Treaty, is insufficient as it puts an emphasis on the maintenance of living standards of the affected communities rather than improving them. This has led to the continued impoverishment of the affected communities.

7. In addition to the significance of a policy having legal “teeth”, the LHWP case study also highlights the importance of capacity building for relocated communities. The final section of this document examines the LHWP Phase Two compensation policy as it stands, and examines areas where it arguably does not meet the draft Environmental and Social Framework.

8. We define “displacement” in accordance with the World Commission on Dams’ definition, namely that it includes “both physical displacement and livelihood displacement or deprivation”. Displacement, particularly where land rights are compromised, has long-term, devastating and destructive consequences.

2) THE NEED TO BUTTRESS SAFEGUARDS WITH LEGALLY BINDING OBLIGATIONS: LESSONS LEARNT FROM PHASE ONE OF THE LESOTHO HIGHLANDS WATER PROJECT

9. The significance of legally binding obligations became extremely apparent last year, when the SLC obtained a judgment in favour of one of the communities displaced by the LHWP. In September 2015, the High Court of Lesotho sided with the community of Khabang Lejone and stipulated that the government authorities of Lesotho had to pay compensation which the communities had been owed since the 1990s. Prior to this judgment, communities had only received a fraction of the compensation owed to them under the relevant compensation policy. This section provides an outline of the Phase One LHWP compensation policy and its execution in practice.

A. Key provisions in the LHWP compensation scheme

10. The Lesotho Highlands Water Project Treaty, Article 7(18):

“The Lesotho Highlands Development Authority [LHDA] shall effect all measures to ensure that members of local communities who will be affected...will be enabled to maintain a standard of living not inferior to that obtaining at the time of first disturbances.”

11. The Lesotho Highlands Development Order, 1986, Section 44(2)(a):

“The [LHDA] shall ensure 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.”

12. Lesotho Highlands Water Project Compensation Regulation, 1990, Section 11:

“Compensation for loss of access to communal assets, including grazing is by way of lump sum or annual cash payments, to be used for developmental purposes and for implementing developmental projects in the affected villages.”

13. Compensation Policy 1997, section 11.5:

“All communal assets mentioned below will be compensated to communities as a whole in the form of lump sum or annual cash payments. These funds shall be used for development purposes within the communities. The funds provided under communal assets shall be calculated on the basis of the number of households resettled or relocated.”

14. The Memorandum of Understanding (between community co-operatives and the LHDA), 2002, Section 6:

“[The LHDA is] to provide technical assistance for a period of three years to the LLE [community co-operatives], as and when necessary, by way of capacity building, monitoring and professional advice in an endeavour to ensure proper management of funds and successful implementation, operation and maintenance of proposed development projects/programmes.”

B. The termination of annual payments

15. The communities adversely affected by Phase One of the LHWP never received the full financial compensation they were promised for the loss of communal assets, as laid out in section 11.5 of the 1997 compensation policy (above). These funds were intended to replace the income community members obtained from community-owned assets. Such income came from having access to grazing land and resources like firewood and brushwood. No community in contact with the SLC has received any money from the LHDA since 2004. Some communities have never received any compensation. In particular, the following communities have not received any compensation at all from Phase 1B of LHWP: Ha Lesaoana, Ha Nkhema, Masapong Ha Ntsi, Ha Sekete, Ha Phaloane, Ha Tsolo and Thuathe.

C. Precedent-setting litigation on behalf of one of the communities adversely affected

16. The SLC has been representing one community, Khabang Lejone, in a test case against LHDA, for over three years. In the September 2015 judgment of Khabang Lejone v Lesotho Highlands Development Authority (attached), at paragraph six, the judge referred to the
Compensation Policy, ultimately confirming that compensation was still owed. He also affirmed the MoU between the community and the LHDA.

17. It is noteworthy that the LHDA’s argument, in court, for withholding payment was that communities did not have adequate accounting systems in place. The MoU between the communities and the LHDA specifically mandates the provision of technical assistance – including accountancy services - from the LHDA, to aid the communities going forward. The LHDA, however, never provided such assistance.

18. The LHDA were originally adamant, in particular in relation to the Mohale Dam project (Phase 1B) that the “resettlement, compensation and rehabilitation program” was to be done “by the book”, which referenced the World Bank operational policies. However this has never materialised in practice and in reality; the law is proving to be the only recourse for communities. Khabang Lejone received its first payment from the LHDA in over ten years only some weeks after the judgment was handed down in September.

19. Whilst not every household was made worse off after LHWP resettlement, Hitchcock and Levitt conclude that “more households had suffered a fall in income than had improved their income following resettlement.” Furthermore, after the compensation process of Phase 1B, “household food shortages were reported more frequently than before relocation.” Section four of this document will demonstrate that lessons from Phase One LHWP do not appear to have been learnt by those responsible for drafting the Phase Two LHWP compensation policy. Governing authorities must be forced, using the rule of law, to meet their obligations to these impoverished and vulnerable displaced peoples.

D. The LHDA’s shift away from financial compensation more generally

20. Evidence of the LHDA’s failure to pay compensation is not confined to the legal dispute between Khabang Lejone and the LHDA. The LHDA has admitted in their own publications that providing cash sums is no longer their goal. In a document published by the LHDA’s Social Development & Environment Division, entitled “Communal Compensation Community Consultation Strategy”, the LHDA explicitly rules out any direct payments to the affected communities. Instead of cash payments, there will be funding for “the implementation of approved projects”, which, critically, is “to be paid directly to the service provider(s)”, and not to the Co-operatives elected to represent the community. The LHDA, however, has provided no oversight or accountability mechanisms for the disbursement of these funds.

4 See Devitt and Hitchcock, op. cit., p. 63
5 Ibid., p. 92
6 Ibid., p. 89
7 LHDA, Communal Compensation Community Consultation Strategy, Report 69 by Environmental panel of Experts, November 2014, Revision 2, p. 4
21. Protimos and SLC are sceptical of the LHDA’s motives. Attached to this submission is both an original and translated version of a sample of a letter sent to several different communities in September 2015, urging them, in the last paragraph, to terminate their MoUs with the LHDA. This letter was sent less than two weeks after judgment was delivered and the MoUs were judicially affirmed. In return for terminating the MoUs, the LHDA promises the communities roughly three times the amount of “compensation” to be distributed through LHDA approved development projects.

22. Terminating the MoUs would release the LHDA from its binding legal obligation to pay any compensation, as affirmed by September’s precedent-setting judgment.

23. It must be emphasized the LHDA fought the Khabang Lejone co-operative tooth and nail in court, arguing that no compensation should be paid. It is surprising, therefore, to read that they are offering three times the money the judge has demanded, for each community. Over the last three years of litigation, the LHDA never admitted that they had been in the wrong, nor that communities should still receive any compensation. They deliberately held up the litigation in order to give themselves more time to avoid paying money. For instance, they repeatedly contested the legal status of the co-operatives, despite originally, in the 1990s, instructing communities to form co-operatives specifically to facilitate the payment process.8

24. The money offered in the letter must be spent on LHDA approved development projects and no funds of any sort will pass through the community’s hands. We have no evidence of any development projects being offered to the communities before the September judgment.

E. The critical importance of direct financial compensation

25. The new LHDA compensation strategy explicitly precludes any “commercial” or “income generation” initiatives.9 Not only does this violate the legislative basis upon which the LHWP compensation rests, it also cuts against two principles that are “central to all but a very few internationally financed resettlement programs: that the affected people should in large measure be the architects and the builders of their own futures; and that none who are compelled to move should end up worse off than before.”10

26. According to Paul Devitt and Robert Hitchcock, these two principles were baked into the compensation procedures for Phase 1B of the LHWP (the Mohale Dam) by the LHDA,

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8 The judge dismissed the argument that co-operatives were no longer suitable vehicles for receiving compensation at paragraph 13 of the judgment attached
9 LHDA, Communal Compensation Community Consultation Strategy, Report 69 by Environmental panel of Experts, November 2014, Revision 2
which had learnt from mistakes made in Phase 1A (the Katse Dam). In particular, the 1997 compensation package for Phase 1B included financial compensation for households’ loss of arable land. The households could choose between receiving a cash lump sum, annual compensation also in cash, or annual compensation paid in grain. The LHDA’s failure to pay communities after the early 2000s thus amounts to a serious breach of its obligations. Financial compensation cannot be substituted for “development projects”, to be chosen by the LHDA, with, as already discussed, very little accountability or oversight.

27. Furthermore, it is the LHDA who are obliged to provide development support, such as technical assistance, under the MoUs. Communities cannot be expected to pay for this out of their own money. The “compensation” for loss of communal assets is just that – money paid to them in return for their loss of assets. Communities should not be forced to spend this money, which is designed to replace incomes, on long-term development projects for the area. That is the government’s role, separate from contractually agreed (via the MoUs) financial compensation.

F. Examining LHDA’s proposed “development projects” scheme

28. Aside from the legal issues, there are two major difficulties with an approach that substitutes “development projects” for the provision of financial compensation. First, under the LHDA’s new approach, compensation for communities rests on the LHDA’s discretion in “approving” development projects. Even if such projects are approved, the LHDA will be able to sub-contract the delivery of these projects, setting payment rates for these services without any consultation with communities. This creates an accountability vacuum. Second, displaced communities have lost large areas of land as a direct result of the LHWP. They need to find alternative sources of income to replace the income lost through their relocation. Infrastructural projects alone, such as the construction of roads, are not enough in themselves to provide income.

29. As the report of the Commission of World Dams highlights, once economic activity is disrupted, there are major knock-on effects for communities involved. If this income is lost, and compensation is not used to support capacity building or small-scale economic initiatives, it is difficult to see how the standard of living of these communities can be restored, as per World Bank Guidelines, and the LHWP Treaty, Article 7(18). This point will be explored further in the section on capacity building, below.

30. Communities have never reaped the benefits that the LHWP promised to the nation of Lesotho. Deborah Wason and David Hall confirm that the 6.2% average annual growth in Lesotho’s economy between 1987 and 1998 was due to a combination of the “building

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11 Ibid., p.71
12 World Commission on Dams, Dams and Development: A New Framework for Decision-Making, 2000, p. 103
activity for the Lesotho Highlands Water Project and in the later stages the sale of water to South Africa”, in addition to some manufacturing industry growth. This economic growth did not trickle down to the adversely affected communities. Development projects alone cannot redress this imbalance.

31. The World Bank has acknowledged that “communal payments have proven problematic, because the institutional apparatus for payment and utilization of compensation have proven extremely difficult to establish.” However, the report makes no mention of the background to the current legal dispute, which casts doubt upon the efficacy of the Bank’s own Monitoring and Evaluation Procedures. The report was published in 2007, by which time the MoUs had been breached for at least three years.

3) THE CENTRAL IMPORTANCE OF CAPACITY BUILDING

A. Shortcomings in the Compensation Framework

32. These compensation procedures did not adequately address the widespread disruption to livelihoods that occurs when large-scale infrastructure projects of this nature are constructed. According to the World Commission on Dams, a water project of this magnitude

“often results in the loss of access to traditional means of livelihood, including agricultural production, fishing, livestock grazing, fuelwood gathering and collection of forest...Not only does this disrupt local economies, it effectively displaces people – in a wider sense, from access to a series of natural resource and environmental inputs into their livelihoods. This form of livelihood displacement deprives people of their means of production and dislocates them from their existing socio-cultural milieu.”

33. Protimos and SLC submit that a material assessment of a household’s immediate wealth does not factor in these more subtle, but equally significant, relationships between impoverished communities and the land and natural resources surrounding them. In the words of Devitt and Hitchcock, “[t]he physical resettlement program is the easy part...The restitution of livelihoods, social structures, and a sense of belonging in the new place is,

14 World Bank, Implementation Completion and Results Report on the Lesotho Highlands Water Project, 2007, para 32
15 See ESS1, which is the centrepiece of the new proposed safeguards
16 World Commission on Dams, Dams and Development: A New Framework for Decision-Making, 2000, p. 103
however, a venture fraught with uncertainty.”

Protimos and SLC agree with Devitt and Hitchcock, citing Scudder, that the Bank’s “no worse-off policies actually work against the interest of those caught up in compulsory resettlement programs, in that this minimum level of economic welfare is too often taken as the target.” Instead, capacity building, which includes both financial compensation and technical assistance, must form the crux of any compensation policy.

B. Rejecting livelihood restoration

34. The World Bank’s own policies dictate that those resettled must be the beneficiaries of the project. “The objective of the Bank’s resettlement policy is to ensure that the population displaced by a project receives benefits from it.” This is a logical approach, since World Bank projects are designed to bring wealth to a country as a whole. However, safeguards that endorse resettlement procedures that “restore” or maintain (without improving) the standard of living of displaced people cut against the idea that such people should actively benefit. Furthermore, if maintenance of living standards is the target, it is exceptionally easy for these standards – inadvertently or otherwise – not to be met. The LHWP is an apposite example.

35. The alternative to this “maintenance” approach is to place capacity building at the heart of compensation, which will guarantee, by definition, to improve standards of living in the long-run. This is in line with the Sustainable Development Goals, and would lead to long-term flourishing of local and national economies. Paragraph one of the World Bank’s proposed Environmental and Social Framework emphasizes the Bank’s “commitment to sustainable development”. As the Oxfam submissions highlight, the vast majority of people affected by infrastructure projects are poor. Aiming to merely maintain their standard of living is inappropriate and misguided.

36. There is an extensive body of academic work backing this approach to truly sustainable development. In Lesotho, a Maseru-based civil society organization called the Transformation Resource Centre (TRC) has emphasized the requirement for “enhanced economic development activities” to adequately compensate affected families for their lost income. A separate report, written on behalf of the TRC, edited by Mabusetsa Lenka Thamae and Lori Pottinger of International Rivers, concludes that “monetary compensation is not enough to restore rural communities' livelihoods; land must accompany monetary compensation.” In situations where land cannot be provided, communities must be given the tools to develop their own livelihoods. A major drawback of aiming for mere maintenance of standard of living is that this “standard” becomes

17 Devitt and Hitchcock, op. cit., p. 62
18 Ibid., p. 94
20 See Devitt and Hitchcock, op. cit., p. 94
21 TRC , On the Wrong Side of Development, Lessons Learned from the Lesotho Highlands Water Project, 2006, p. 2
quantified in an over-simplistic and material manner, and capacity building is silently
elbowed out of the compensation equation.

C. World Bank Conclusions on Phase One LHWP and our “Blueprint”

37. The World Bank LHWP concluding report conceded that “funds available for technical
assistance to support management and training were under-utilized….despite the clear
need for building capacity.”22 The report also stated that by December 2007 the LHWP
was on track to generate 1.15 billion Maloti, equivalent to over $150 million. This is a
sizeable sum, from which only a small fraction of money would be necessary to give
communities the means, through technical assistance and some financial support, to
extricate themselves from poverty, generating long-term wealth for the local and
domestic economy.

38. The Bank’s report concluded that livelihood development was not achieved: “While the
physical relocation and individual compensation of those directly affected by the loss of
physical assets has generally been well addressed, broader development issues
associated with livelihood restoration programs and downstream impacts have been
more complicated and less satisfactory. Production in the Highlands is fragile; families had
survived by means of remittances from household members in the mines of the [Republic
of South Africa], who had been largely repatriated in the period just before the project
began.”23 This is not a sustainable outcome. Communities should be empowered to chart
their own paths out of poverty.

39. In June 2014, Protimos and SLC embarked on an exercise of producing a document that
outlines how compensation should be defined to ensure that the affected communities
are able to re-establish their livelihoods and incomes. We refer to this document as the
“Blueprint” for compensation. A draft version is attached. The Blueprint talks about the
term “compensation” as referred to in the Treaty and the Order read with the
Constitution of Lesotho. It says compensation must be given a broader meaning that is
consistent with international law and best practice. It also says compensation must
include measures that will develop the necessary skills and capacity within affected
communities so that they are able to develop income-generating enterprises that in time
will be sustainable.

40. The Blueprint refers to relevant provisions that support a broader definition of
compensation and development. The first is the provision in the MoU between
Cooperatives and the LHDA where it provides that the cooperative shall ensure the
utilisation of communal compensation funds shall be limited to investments in
development projects/programmes (social or economic activities) in accordance with the

22 World Bank Implementation Completion and Results Report on the Lesotho Highlands Water Project,
2007, para 36 (emphasis added)
23 Ibid., para 49
approved objectives. It further provides that the LHDA shall provide technical assistance for a period of three years to the Cooperatives, as and when necessary, by way of capacity building, monitoring and professional advice in an endeavour to ensure proper management of funds and the successful implementation, operation and maintenance of proposed development projects/programmes.

41. The Blueprint submits that non-material losses of the affected communities must be assessed, valued and included in the meaning of compensation. Similarly, the terms “development” and “development projects” need better definitions. It is worth noting that this document was shared with the LHDA in the hope that it would help to shape their policies, especially in regards to Phase Two LHWP. Unfortunately, the LHDA does not seem to have considered this document in the development of the Phase Two compensation policy.

4) PHASE TWO OF THE LHWP: NOT LEARNING LESSONS FROM PHASE ONE

42. Phase Two of the LHWP is an active and approved World Bank project, although it is currently in its planning stage. To date, only a draft compensation document has been released even though we have received confirmation from one of the LHDA officials that this document has now been finalised and approved. It appears that many of the issues that arose in Phase One will be replicated in Phase Two. In some instances, the provision for compensation is even worse, with the LHDA reducing the scope of direct financial compensation, as already discussed.

43. The Phase Two draft compensation policy is not materially different from the compensation policy of Phase One. “Affected persons will be assisted to at least restore, and preferably to improve, their livelihoods.”24 As already discussed, “restoration” alone implies that the standard of living for impoverished communities will remain stagnated at pre-dam levels. The LHDA claims that there will be “prompt provision of compensation for the loss of assets directly attributable to a project”,25 despite simultaneously instructing Phase One communities that the LHDA will not provide financial compensation of any sort.26 In addition, the LHDA commits to the “implementation of other livelihood restoration and development measures”.27 It is difficult not to be sceptical about this livelihood restoration, for the reasons outlined earlier in this document and especially because this appears only once in the policy under clause 5.4 whose provisions are vague and skeletal. The LHDA resisted financial compensation in Phase One, and if livelihood restoration is modelled on its Phase One analogue, “development projects” will be

24 LHDA, LHWP Phase II Draft Compensation Policy, V5.08, 4th December 2014 (latest available version), p. 2
25 Ibid., p. 2
26 See attached letter to Tiisa Lebanta Co-Operative
27 LHDA Draft Phase Two Compensation Compensation Policy, 2014, p. 2
selected and commissioned by the LHDA, in a top-down neo-colonial approach with very little accountability or community oversight.

44. The Phase Two compensation document explicitly endorses the failure of the Phase One compensation policy. For instance, the text acknowledges that “compensation rates have been established for Phase II of the LHWP, based on the phase I rates.” Communal compensation is to be determined according to “Phase I valuation procedures”, despite the LHDA recently challenging these very procedures in court.

45. The policy also tends to concentrate on people who already have formal legal rights to land, in that they are the ones who are allowed compensation for loss of land taken for project purposes. Those who do not have a claim to legal rights are not entitled to compensation for loss of land under the policy. For people who are landless/semi-landless and who rely on neighbours or relatives for farming, this means they are going to be left worse off than they were before being affected by the project.

A. **The LHDA is insulating themselves from future legal claims**

46. Community co-operatives – the entities litigating on Phase One compensation – do not feature in the proposed Phase Two document. Instead there are “community councils”, and “compensation for the loss of communal assets will be made available for investment in approved community development ventures under the auspices of the affected Community Councils.”

47. This may be a way to prevent litigation going forward, since in Phase One the co-operatives were created precisely to be legal entities with legal standing to bring claims against the LHDA. The LHDA and Government of Lesotho mandated the creation of co-operatives when the compensation procedures were first planned, in the 1980s and 1990s. However, since then, the LHDA has openly tried to dismantle the co-operative system, both in court and through direct contact on the ground with communities. Protimos and SLC believe that recent litigation has influenced the following provision in the draft compensation policy: “no compensation funds in respect of communal assets will be directly transferred to Community Councils, to individuals or to other legal entities.”

B. **Phase Two and the World Bank’s Draft Environmental and Social Framework**

48. Parallels between Phase Two and Phase One’s compensation procedures indicate that Phase Two will likely not meet the standard set in paragraph 12 of ESS5: “When land acquisition or restrictions on land use... cannot be avoided, the Borrower will offer

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28 Ibid. p. 17
29 Ibid. p. 10
30 Ibid. p. 17
affected persons compensation at replacement cost, and other assistance as may be necessary to help them improve or at least restore their standards of living or livelihoods.”

Furthermore, there is no acknowledgment in the Phase Two proposal that there is any effective grievance redress mechanism, mandated by paragraph 19 of ESS5.

49. There was no community-level baseline study conducted for Phase One of the LHWP. This made monitoring and evaluation exceptionally difficult, despite the importance placed on monitoring and evaluation in World Bank policies and the proposed environmental and social framework. A “comprehensive socio-economic baseline survey” has been proposed in the Phase Two LHWP draft compensation policy at paragraph 3.4.2, although it remains to be seen whether it will comply with the stringent criteria of ESS1 and ESS5. Certainly, there is no evidence of any notion of Free Prior and Informed Consent (FPIC) in the draft compensation policy.

50. Instead, the LHDA continues to impose its top-down framework which has already served communities in Phase One so poorly. Protimos advises the World Bank to look carefully at the compensation policies for Phase Two and urge the LHDA to adopt guidelines and assessment processes that are in line with the draft Environmental and Social Framework. As per these submissions, the Bank’s framework will preferably be altered to include binding legal obligations in addition to compensation that goes beyond restoration by mandating capacity building initiatives to improve livelihoods and restore incomes.

31 World Bank, Environmental and Social Framework Draft (consultation ongoing), p. 77
32 Ibid., p. 79
33 M&E forms the core of proposed ESS1
34 LHWP Phase II Draft Compensation Policy, V5.08, 4th December 2014 (latest available version), p. 8