

SA and kingdom on collision course with World Bank

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The Lesotho and South African governments are headed for a clash with the World Bank after the financial institution reneged on a promise to fund the kingdom's legal costs in a crucial corruption case.

The World Bank undertook in November 1999 to help pay Lesotho's legal costs in a court case in which major Western multinationals stand accused of bribing officials involved in the Lesotho Highlands Water Project.

The project's former chief executive, Masupha Ephraim Sole, has been on trial since June this year for allegedly accepting R12-million in bribes.

Charges have also been brought against international engineering consultancy companies from Canada and Germany. These trials are due to start in the new year. The case is being watched internationally as it is one of the few times companies accused of bribery have been put in the dock.

The bank is a major backer of the project and was initially keen to help Lesotho because the landlocked nation's government argued that it did not have the resources to take on the might of multinationals.

But, after several letters from Lesotho and SA, the World Bank said last month it would not be contributing to the trials.

World Bank officials told the Lesotho government that the successful prosecution of the companies would result in fines that would recoup the government's legal costs.

But senior Lesotho government officials told the Sunday Times that the cases could collapse because the big corporations' strategy was "to test the political and financial will to see these trials through".

Andrew Macoun, of the World Bank, confirmed it would not be contributing to Lesotho's legal costs but said the bank was instead helping the country strengthen its systems to fight corruption.

The Lesotho Highlands Water Project was initiated in the 1980s to build five dams to take water from Lesotho to South Africa.

Construction on the first, the Katse Dam, has already been completed and water from the dam to Gauteng started flowing in 1998.

Construction on the second dam, the Mohale, is under way.

Lesotho's Foreign Affairs Minister, Tom Thabane, refused to comment on the dispute but said he was aware of the bank's commitment.

<http://www.sundaytimes.co.za/2001/12/09/politics/pol02.asp>