

Lesotho Highlands Water Project — Cross-Border Royalty Payments for Water

PES & Nature-Based Solutions · Good practice · Lesotho

Quality score: 7/100

Evidence strength: Cautionary / limited

Summary

Under a 1986 treaty, South Africa pays Lesotho roughly R4bn (US\$240m) a year — about 15% of Lesotho's budget — for c.800 million m3 of water transferred annually to the Vaal system, while affected highland communities report inadequate compensation and environmental degradation.

Key dimensions

Dimension	Score
Carbon — sequestration / storage, evidenced	0/3
Biodiversity — conservation / improvement, evidenced	0/3
Water & soil — retention, infiltration, erosion control	0/3
Fire resilience — risk reduction, evidenced	0/3
Governance, certification & transferability	1/3

Evaluated by C-NAPSE

Data sources

[C-NAPSE web research](#) — accessed 2026-07-16

[Lesotho Highlands Development Authority \(LHDA\) / Government of the Kingdom of Lesotho](#) — accessed 2026-07-16

[The Conversation: "The Lesotho Highlands Water project is 40 years old and going strong"](#) — accessed 2026-07-16

[Mongabay: "Lesotho communities allege greenwashing by project transferring water to South Africa"](#) — accessed 2026-07-16

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