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**ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (ESMF) FOR THE PROPOSED LESOTHO COMPETITIVENESS AND FINANCIAL INCLUSION PROJECT**

Prepared for

Ministry of Trade and Industry (MTI) - Project Management Unit (PMU) for the Second Private Sector Competitiveness and Economic Diversification Project (PSCEDP II)

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# Acronyms

**AIDS** Acquired Immunodeficiency Syndrome

**AP** Affected Party

**BEDCO** Basotho Enterprise Development Corporation

**CAFI** Competitiveness and Financial Inclusion

**CBL** Central Bank of Lesotho

**CoC** Codes of Conduct

**DRF** Disaster Risk Financing

**DRWS** Department of Rural and Water Supply

**ESF** Environmental and Social Framework

**EHSGs** Environmental, Health and Safety Guidelines

**ESCP** Environmental and Social Commitment Plan

**ESIA** Environmental and Social Impact Assessment

**ESMF** Environmental and Social Management Framework

**ESMP** Environmental and Social Management Plan

**ESSs** Environmental and Social Standards

**ESRC** Environmental and Social Risk Categorisation

**G2B** Government to Business

**G.A.P** Good Agricultural Practices

**GBV** Gender Based Violence

**GDP** Gross Domestic Product

**GIIP** Good International Industry Practice

**GMO** Genetically Modified Organisms

**GRiF** Global Disaster Risk Facility

**GRM** Grievance Redress Mechanism

**GTEX** Global Textile and Clothing Programme

**GVC** Global Value Chains

**HIV** Human Immunodeficiency Virus

**IPA** Investment Promotion Agency

**IPPF** Investment Project Preparation Facility

**ILO** International Labour Organization

**IT** Information Technology

**ITC** Information Communication Technology

**LAA** Land Administration Authority

**LEAP** Lesotho Enterprise Assistance Program

**LERIMA** Lesotho Electronic Registry Interest in Movable Assets

**LMP** Labour Management Procedure

**LMPS** Lesotho Mounted Police Service

**LNDC** Lesotho National Development Corporation

**LRA** Lesotho Revenue Authority

**LSN** Lesotho Startup Network

**LTDC** Lesotho Tourism Development Corporation

**MCC** Maseru City Council

**MGYSR** Ministry of Gender, Youth, Sports and Recreation

**MOAFS** Ministry of Agriculture Food and Security

**MoF** Ministry of Finance

**MSC** Ministry of Small Business Development and Cooperatives

**MSME** Micro, Small and Medium Enterprises

**MTEC** Ministry of Tourism Environment and Culture

**MTI** Ministry of Trade and Industry

**OBFC** One Stop Business Facilitation Centre

**OIP** Other Interested Parties

**PMDU** Prime Ministries Delivery Unit

**PMU** Project Management Unit

**PPE/C** Personal Protective Equipment/Clothing

**PSCEDP II** Second Private Sector Competitiveness and Environmental Diversification Project

**RAP** Resettlement Action Plan

**SEA** Sexual Exploitation Abuse

**SH** Sexual Harassment

**SMEs** Small and Medium Enterprises

**STDs** Sexually Transmitted Disease

**TIP** Trafficking In Persons

**UNFCC** United Nations Framework Convention on Climate Change

**VIG** Vulnerable Individual or Group

**WASCO** Water and Sewage Company

**WLSA** Women and Law in Southern Africa

# Executive Summary

***Introduction***

**Background**

The Lesotho Ministry of Trade and Industry (MTI) through the Project Management Unit (PMU) for the Second Private Sector Competitiveness and Economic Diversification Project (PSCEDP II) intends to prepare Environmental and Social Risk Management Documentation for the proposed Lesotho Competitiveness and Financial Inclusion (CAFI) Project. The following Environmental and Social Management Risk Documentation have been prepared:

* Environmental and Social Management Framework (ESMF) incorporating :
  + Labour Management Plan (LMP);
  + Waste Management Plan (WMP);
  + Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) Prevention and Response Action Plan;
* Stakeholder Engagement Plan (SEP);
* Environmental and Social Commitment Plan (ESCP);
* Integrated Pest Management Plan (IPMP).

**Project Objective and Risk Rating**

The project development objective is to increase access to business support services and financial products targeted at MSMEs and entrepreneurs especially women and youth. Tabulated are project components and sub components.

In terms of Environmental and Social Risk Categorization (ESRC), the project has been rated as moderate with minor and reversible environmental and social impacts.

**Project components and sub components**

**Project Components and sub-components**

|  |  |
| --- | --- |
| Components | Sub Components |
| 1. Enhancing Government to Business Digital Services and Private Sector Resilience | 1.1 Enhancing G2B Digital Services |
| 1.2 Improving Access to Financial Services |
| 1.3 Strengthening the Resilience of MSMEs to Disaster and Shocks |
| 1. Scaling Support for Entrepreneurship and MSMEs | 2.1 Establishing an Entrepreneurship Hub and Seed Financing Facility |
| 2.2 Scaling the Lesotho Enterprise Assistance Program (LEAP) for MSMEs |
| 2.3 Expanding SME Participation in High Potential Value Chains |
| 1. Project Management and Implementation Support |  |

***Key Policies, Legal and Administration Framework***

**World Bank Environmental and Social Standards (ESSs)**

The World Bank has ten Environmental and Social Standards (ESSs) that are designed to support the Bank financed projects. These shall be applied together with national legislation, World Bank Group Health Safety Guidelines (EHSGs), and other relevant Good International Industry Practice (GIIP).

**Relevant Environmental and Social Standards (ESSs)**

* ESS 1 – Assessment and Management of Environmental and Social Risks and Impacts;
* ESS 2 – Labor and Working Conditions;
* ESS 3 - Resources Efficiency and Pollution Prevention and Management;
* ESS 4 - Community Health and Safety;
* ESS 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources;
* ESS 10 – Stakeholder Engagement and Information Disclosure.

**Relevant International Agreements to which Lesotho is signatory**

The following are the national laws, policies, guidelines and international conventions and treaties relevant to the project to which Lesotho is signatory.

**Relevant International conventions, national laws, policies and guidelines**

| Relevant International Conventions (Environmental) | Relevant International Conventions (Social and Labour) | National Laws, policies and guidelines |
| --- | --- | --- |
| * Montreal Protocol; * Stockholm Convention; * Basel Convention; * Kyoto Protocol; * Africa Convention on Conservation of Nature and Natural Resources; * Vienna Convention; * Convention on Biological Diversity (CBD); * Cartagena Protocol; * Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); * Rotterdam Convention. | * African Charter on Human and Peoples’ Rights; * African charter on the rights and welfare of the child: * International Labour Organization Conventions: * C029 - Forced Labour Convention, 1930; * C087 - Freedom of Association and Protection of the Right to Organize Convention; * C098 - Right to Organize and Collective Bargaining Convention, 1949;   C100 - Equal Remuneration Convention, 1951;   * C105 - Abolition of Forced Labour Convention, 1957; * C111 - Discrimination (Employment and Occupation) Convention, 1958; * C138 - Minimum Age Convention, 1973; * C182 - Worst Forms of Child Labour Convention, 1999. | * Constitution of Lesotho, 1993; * Environment Act 2008; * Historical Monuments and Relics, Fauna and Flora Act of 1967; * Local Government Act 1997; * Labour Code of 1992; * Water Act 2008; * Agricultural Marketing Act No.26 of 1967; * The Business Licensing and Registration Regulation, 2020; * National Strategic Development Plan of Lesotho (2018-2023); * Public Health Order No.12 of 1970. |

***Description of Baseline Environment***

**Biophysical Environment**

Lesotho is a mountainous Kingdom landlocked by Republic of South Africa it is characterized by rough terrain with steep slopes and deep canyons. It is divided into four physiographic regions namely: lowlands, foothills, the Orange Senqu River valley and the highlands. In terms of geology, Lesotho consists of the alluvial deposits, Lesotho formation, Clarens formation, Elliot formation, molten formation and Burgersdorp formation.

Lesotho is part of the Southern African grassland biome with 339 different species of birds and 60 different species of mammals as well as over 2000 different types of plants. Factors such as overgrazing, over harvesting, uncontrolled fire, encroachment by settlement, cultivation on rangelands, invasive alien species as well as pollution are reported to cause tremendous stress on vegetation. In terms of water resources, Lesotho is well endowed with relatively abundant water resources. There are three main rivers in Lesotho namely: Orange Senqu, Makhaleng and Mohokare (Caledon) Rivers. Wetlands are the other form of water resources found in Lesotho and they feed rivers.

According to Lesotho climatology, the highest rainfall occurs between October and April while with extremely low levels precipitations occurring between May and September. Due to climate change, it is predicted that Lesotho will experience increased precipitation in winter and less precipitation in spring and summer months’ and also, there is possibility of warming temperatures.

**Socio-economic conditions**

Lesotho is classified as a lower middle income country. The economy of the country is based on subsistence agriculture and pastoral production, light manufacturing supplemented by remittance from Lesotho mineworkers in South Africa. Lesotho is also the recipient of royalties for supplying water to Republic of South Africa. However, Lesotho is unable to compete with economies of large scale producers such as those in South Africa as majority of food consumed in the country is imported. The population of Lesotho as 2, 168 456 and there are 321 000 children. According to the World Bank national account data nominal gross domestic product (GDP) per capita is $1.18. Agricultural growth is limited by difficult agro-climatic conditions and limited arable land.

***Summary of Identified Potential Environmental and Social Risks***

This section provides a summary of potential environmental and social risks that may be brought by implementation of the Project.

**Potential environmental and social benefits of the Project**

|  |  |
| --- | --- |
| Possible Positive Benefit | Enhancement measures |
| Employment creation | Compliance with ESS 2 and national labour laws:   * Equitable access to opportunities by all including vulnerable groups; * Provision of acceptable working conditions; * Information dissemination on available employment opportunities within the project; * Awareness raising on GRM; * Compliance with health and safety requirements. |
| Skills development | Provision of on-job trainings and scheduled trainings for workers. |
| Economic growth and Improved livelihoods | * All beneficiaries shall comply with their tax obligations; * There should also be monitoring and evaluation to ensure that the project is achieving its overall objectives; |
| Poverty Reduction | There shall be equal opportunities and no discrimination of vulnerable groups such as disabled people. |
| Gender Integration | Provision of equal opportunities for both males and female. |
| Incorporation of capacity building for E&S risk management and citizen engagement; | Ensure sufficient budget for implementation of E&S safeguards. |

**Potential negative environmental and social risks of the Project**

| Potential Negative Risk | Mitigation Measures |
| --- | --- |
| Occupational Health and Safety related risks including:   * Injuries which may be related to working at heights, working with hand tools and power tools; * Exposure to hazardous chemicals; * Ergonomics; * Covid-19 infections; * Road accidents. | * Development of health and safety plans incorporating safe working procedures; * Provision of safe and healthy working conditions; * Information dissemination on available employment opportunities within the project; * Conducting risk assessments; * Provision of personal protective equipment/clothing; * Provision of training on safe working procedures and adherence to traffic laws. |
| Social tensions arising from inadequate information about project activities for certain communities. | * Appropriate disclosure of information to all stakeholders; * Project-affected communities shall be provided with all the necessary project information including opportunities and potential impacts. |
| Communicable diseases such as COVID-19 and HIV/AIDS (to a limited extent) | * Development of Covid-19 prevention and response plan. * Compliance with COVID-19 guidelines and regulations to control and minimize chances of potential spread; * Awareness raising on HIV/AIDs for workers and host communities; * Access to testing and counselling services for workers for workers engaged in refurbishment works. |
| Generation of e-waste | * Liaison with relevant stakeholders responsible for waste management to ensure that facilities for proper e-waste management are provided. Should appropriate facilities not be available during the project implementation, arrangements should be made for export of project related e-waste. * Implementation of waste management plan. |
| Gender Based Violence (GBV)/Sexual Exploitation Abuse (SEA) Sexual Harassment; | * Implementation of SEA/SH Prevention and Response Action Plan * Compliance with Code of Conduct (CoC) against GBV/SEA/SH. * Awareness raising on reporting of GBV/SEA/SH incidents. |
| Exclusion of vulnerable groups from project benefits. | PMU shall ensure that there is inclusivity in the project by engaging with key stakeholders that represent the interests of vulnerable groups in order to sensitize them of the project benefits |
| Impacts related to textile and apparel sector under sub-component 2.3:   * Noise and air pollution; * Generation of solid and liquid waste; * Increase in occupational and traffic accidents; * Community health and safety risks including exposure and spread of Covid-19. | * Noise and air pollution prevention measures such as servicing of machinery to reduce noise and emissions; * Development of the project specific waste management procedures in line with the provided waste management plan; * Adherence to traffic laws; * Development of Health and Safety Plans covering risk assessments and safe working procedures. |
| There is a potential use of pesticides and fertilizers in horticulture (under sub-component 2.3) which will potentially result in land, surface, and ground water pollution. However this will be an indirect impact as the direct benefit of the project is Horticulture Incubation Program. | * Implementation of Integrated Pest Management Plan; * Terms of reference for Technical Assistance and outputs will be developed taking into account the requirements of the ESF |
| Impacts related to component 3 which include:   * Grievances due to unfair recruitment procedures; * Potential SEA/SH cases at workplace or in exchange for employment; * Generation of e-waste; * Occupational health and safety risks including: * Ergonomics; * Covid-19 infections; * Road accidents; | Compliance with ESS 2 and national labour laws to ensure among others:   * Equitable access to opportunities by all including vulnerable groups; * Provision of safe and healthy working conditions; * Information dissemination on available employment opportunities within the project; * Awareness raising on GRM; * Implementation of waste management plans Compliance with health and safety requirements and procedures; |

***Environmental and Social Screening***

Environmental and social screening section describes the principles and approached which has to be followed for provision of mitigation measures for identified environmental and social impacts. The approach involves the following key steps and processes: preliminary Environmental and Social Screening, detailed Environmental and Social Screening, Environmental and Social Impact Assessment, Environmental and Social Management Plans, and Environmental and Social Monitoring (including Audits) and Reporting.

This serves as a criteria to be used to identify sub-projects which should not be approved under this project due to their likely significant environmental or social impacts. The following sub projects should be excluded:

* Sub-project activities that would be classified as high or substantial as per the World Bank ESF classification criteria;
* TA activities that may entail downstream significant adverse impacts or risks (ToR for each proposed TA activity should be developed in line with the principles of ESF);
* Projects which will have a negative impact on critical habitats;
* Projects which may have irreversible impact on or loss of natural habitats;
* Construction projects which may lead to involuntary loss of land or assets, access to land or resettlement (physical or economic) and loss of livelihoods;
* New construction projects which may have negative impact on cultural heritage;
* Projects which may have significant adverse social impacts or could lead to significant social conflict;
* Projects which are highly likely to have significant adverse effects on human health and/or the environment;
* Sub-projects which block access to or use of land, water points etc. used by others.

***Environmental and Social Management Institutional Arrangements***

**Stakeholder Consultations**

A number of stakeholders have been identified for the project and were consulted for the project design as well as during the preparation of Environmental and Social Risk documentation. Information needs of identified stakeholders were also identified. It should be noted that stakeholder engagement is an ongoing process and it is key at every stage of the project. Identified stakeholders were grouped according to the following categories: project-affected parties (APs), other interested parties (OIPs) and Disadvantaged or vulnerable individuals or groups (VIG). Stakeholders that have been identified for the Project at this stage are provided in the table below together with their categorization.

**Identified stakeholders and categorization**

| Affected Parties | Other Interested Parties | Vulnerable Individuals and Groups |
| --- | --- | --- |
| * MSMEs. * MSMEs led by women and youth; * Local communities; * Prime Minister’s Office; * GBV service Providers e.g She Hive and Gender Links; * Local community representatives (community leaders); * Lesotho Start-Up Network (LSN); * Business trainers. | * Ministry of Trade and Industry; * World Bank; * Global Disaster Risk Facility (GRiF); * Maseru City Council (MCC); * Lesotho Revenue Authority (LRA); * Ministry of Finance; * Prime Minister’s Office; * One Stop Business Facilitation Center (OBFC); * Ministry of Tourism, Environment and Culture (MTEC). * Ministry of Public Works and Transport; * Ministry of Small Business Development and Cooperatives; * Central Bank of Lesotho (CBL) and Local Banks; * Lesotho National Development Corporation (LNDC); * Ministry of Gender, Youth, Sports and Recreation (MGYSR); * Ministry of Local Government and Chieftainship; * Ministry of Development Planning (MoDP); * National University of Lesotho; * Stellenbosch University; * Basotho Enterprise Development Corporation (BEDCO); * Lesotho Mounted Police Services; * Media. | * Organizations working with vulnerable groups such as People living with Disabilities (PLWD) and women and youth; * Other vulnerable groups (Orphans; Children from households below poverty line, Female-led informal businesses) |

The following consultation techniques shall be used for stakeholder engagement: phone or email correspondence, meetings, public gatherings, focus group meetings/discussions, project website, project leaflets, surveys, and workshops. An appropriate language shall be used for each target group effective for engagement. Covid-19 regulations will be followed in conducting stakeholder consultations during the pandemic and there will be limited face to face meetings.

**Institutional Arrangements and Capacity Building**

| Role Player/Stakeholders | Role | Proposed Capacity Building |
| --- | --- | --- |
| Project Management Unit | * Provision of capacity building for beneficiaries and other key role players; * Management of E&S risks and impacts associated with the Project; * Ensuring that participating farms are GLOBAL G.A.P certified; * Monitoring and evaluation; * Monitoring/auditing project activities to ensure compliance with the ESMF; * Appointing personnel who will monitor compliance of sub-projects with ESMF requirements. | PMU shall be capacitated so as to oversee the implementation of the Environment and Social (E&S) instruments. Capacity building shall include training on the requirements of the E&S instruments as well as appointing of an E&S safeguards specialist. |
| Department of Environment (DoE) | * Review of Environmental and Social Management Plans for sub-projects which will require them; * Adhoc inspections for physical project sub-activities to ensure compliance with Environment Act 2008. | Training on E&S documentation so as to ensure that DoE personnel have thorough understanding of E&S documentation as well as their role in implementation.  There may also be a need for additional personnel responsible for reviewing EIAs and ESMPs. The Department currently has limited number of staff members responsible for the review of EIA reports for the whole country. This has an impact on the construction permitting system as there is sometimes a delay in issuance of environmental clearances for planned construction projects. |
| Line Ministries | Providing technical support to relevant beneficiaries. | Training shall ensure that each line ministry understands its roles and responsibilities in the implementation of the project and in the implementation of E&S documentation. |
| Project Beneficiaries | Sub-projects shall be responsible for ensuring implementation of E&S requirements relevant to their sub-projects. Each beneficiary shall possess the ESMF and develop all the relevant E&S documentation and procedures required by the ESMF. | It will be important for project beneficiaries to be trained on relevant E&S requirements as per the E&S documentation and legislation.  There may also be a need for engagement of environmental, social, health and safety personnel for projects which may require physical construction works such as refurbishment of the proposed skills center facility in Mahobong. |
| Host communities | Accommodation of sub-projects. | Host communities training and awareness raising sessions shall include the following topics:  • Grievance Redress Mechanism;  • GBV/SEA/SH; and  • HIV/AIDS and Covid-19 awareness. |

**ESMF Implementation Estimated Budget and Monitoring**

|  |  |
| --- | --- |
| ESMF Implementation Activities | Estimated Budget in US$ |
| Training and workshops for PMU and Line Ministries | 40 000 |
| Training of beneficiaries and communities | 130 000 |
| Occupational health and safety training or project workers | 130 000 |
| Supervision, monitoring and auditing (travel, communication and professional fees) | 170 000 |
| Capacity building for DoE (additional personnel) | 90 000 |
| Development of ESMPs and other Safety, Health and Environment documentation required by the ESMF | 155 00 |
| Total | **715 000** |

In terms of monitoring, ESMF monitoring framework has been developed which provides among others implementation tools for mitigation measures, responsibilities, monitoring indicators and verification.

***Labour Management Procedures***

Labour Management Procedures address the risks and impacts of labour engagement. It also entails the requirements of the World Bank’s Environmental and Social Standards 2 and 4 which are on labour and working conditions and community health and safety respectively. There is also recognition of the importance of employment creation and income generation in the pursuit of poverty reduction and inclusive economic growth. The following aspects should be ensured during project implementation at all work settings:

* Promotion of safety and health all the time at work. This will require development of policies and procedures, engagement of health and safety personnel as well as training;
* Fair treatment, non-discrimination and equal opportunities for all project workers;
* Protection of vulnerable groups/workers such as women, persons with disabilities, and community workers;
* Prevent use of all forms of forced labour and child labour;
* Support principles of freedom of association and collective bargaining of project workers in a manner consistent with national law;
* Provision of project workers with accessible means to raise workplace concerns;
* Maintain labour relations with local communities through a Code of Conduct (CoC). All workers shall be trained on CoC and sign that they have received and understood the CoC.

***Sexual Exploitation and Abuse (SEA)/Sexual Harassment (SH) Prevention and Response Action Plan***

**The following are the objectives of SEA/SH prevention and response plan:**

* To provide strategies and support mechanisms to mitigate the risk of and respond to allegations of gender-based violence (GBV), including SEA/SH;
* To detail how allegations of SEA/SH will be handled and disciplinary action for violation of the Code of Conduct (CoC) by personnel.

**Proposed SEA/SH Mitigation measures:**

* Mapping of GBV survivor support services (psychosocial, medical, and legal) in the relevant project areas, including availability and quality of care;
* Developing and implementing a sub-project specific Grievance Redress Mechanism (GRM) in line with the Project GRM;
* Sensitize and train project workers and project affected communities on SEA/SH and the Code of Conduct and ensure all workers understand and sign Code of Conduct;
* Hold inclusive, participatory consultations with women beneficiaries and from Project affected communities, paying special attention to the needs of vulnerable groups;
* Include mandatory SEA/SH risk mitigation clauses in bidding documents and contracts;
* Monitoring of indicators in relation to SEA/SH risk mitigation measures for each sub-project.

**GBV/SEA programming guiding principles:**

* + ***Confidentiality:***at all stages of the intervention, the privacy and confidentiality of survivors will be assured:
  + ***Respect:***respect of the wishes, dignity and choice of the survivors will be always observed and during all stages of any intervention.
  + ***Safety and security:***awareness and consideration of any risks or safety concerns that might compromise the physical safety of individuals affected by GBV/SEA.
  + ***Non-discrimination:***all GBV/SEA interventions will be designed to ensure access and the same level of quality of care and assistance for all persons seeking support, or persons affected by GBV/SEA, without regard to sex, gender, age, ethnicity, religion, or other status.

**This process shall be followed for verification of complaints:**

* A SEA/SH Complaint Log Book will be used to record all SEA/SH complaints received.Each sub-project shall assign an officer who will keep, maintain, and monitor the Log Book;
* All GBV/SEA/SH complaints received by the project through any of the intake channels of the CAFI GRM shall be referred to GBV service provider to be selected;
* Upon receiving cases, GBV service provider will provide immediate referrals to service providers. For cases received via telephone, the GBV service provider to be selected shall make contact with the survivor within 48 hours of cases being submitted. However, in cases of sexual assault, the initial contact shall be made immediately (within 24 hours) because the survivor will need medical attention for HIV prevention and emergency contraception;
* Each sub-project together with the PMU shall then await feedback from the GBV service provider to be selected on the proceeding of the case (in some cases, it will not be the full details of the case as some are kept highly confidential). The verification reports provided by the GBV service provider to be selected will clearly state findings of the case without exposing confidential information;
* The PMU shall report SEA/SH complaints to the World Bank within 24 hours of receiving notification of a SEA/SH complaint.

# Introduction

## Context

The Lesotho Ministry of Trade and Industry (MTI) through the Project Management Unit (PMU) for the Second Private Sector Competitiveness and Economic Diversification Project (PSCEDP II) intends to prepare Environmental and Social Risk Management Documentation for the proposed Lesotho Competitiveness and Financial Inclusion (CAFI) Project. The Environmental and Social Management Framework (ESMF) includes the Labour Management Procedures (LMP), Waste Management Plan (WMP) as well as Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) Prevention and Response Action Plan.

The objective of the ESMF is to provide a unified process to address all environmental and social risks and impacts for various components of the proposed Project, from preparation, through appraisal and approval, to implementation. It thereby ensures compliance with the World Bank’s Environmental and Social Framework (ESF) and the related Environmental and Social Standards (ESSs).

## ESMF Objective, Rationale and its application

The ESMF describes the process for screening, assessing, addressing and managing environmental and social risks for site-specific project activities that will be identified during sub-project preparation. The ESMF shall cover all project components including any capacity building related to the project subcomponents investments. The ESMF will in this instance also include Labour Management Procedures, Waste Management Plan and SEA/SH Prevention and Response Action Plan.

The ESMF sets out principles, rules, guidelines and procedures to assess and manage expected environmental and social risks and impacts during project implementation. Subsequently, site-specific ESMPs will be prepared and implemented to manage any arising risks during construction and operation phases of various sub-projects. The ESMF is guided by the World Bank ESF, WB Group EHS Guidelines (EHSGs) and additional resources on Good International Industry Practice (GIIP) found in these Guidelines.

The ESMF provides principles and specific process and technical guidance to the Project implementing agencies and their consultants to assess the E&S risks and impacts of the Project activities, including ensuring that individuals or groups who, because of their particular circumstances, may be disadvantaged or vulnerable, have access to the development benefits resulting from the Project. This ESMF is connected to the following documents which have been or are being developed for the project:

* Stakeholder Engagement Plan (SEP);
* Environmental and Social Commitment Plan (ESCP);

This ESMF will be applied to activities (works, good/services, technical assistance and research activities) to be financed by the Project.

The application and implementation of the ESMF therefore, will:

1. Support the integration of environmental and social aspects into the decision-making process at all stages related to planning, design, execution, operation and maintenance of sub-projects, by identifying, avoiding and/or minimizing adverse environmental and social risks and impacts early-on in the project cycle.
2. Enhance the positive/sustainable environmental and social outcomes through improved/ sensitive planning, design and implementation of sub-activities.
3. Minimize environmental degradation as a result of either individual sub-projects or through their indirect, induced and cumulative effects, as much as possible.
4. Avoid or minimize negative social impacts including labour influx, community health and safety as well as protecting and including in project benefits vulnerable and marginalized groups such as women, children, elderly and disabled persons in order to enhance social inclusion – for all groups of people.

Specifically, the Environmental and Social Management Framework includes the following:

* + Information on Government of Lesotho‘s environmental and social legislation, standards and policies and the World Bank Environmental and Social Standards that are applicable to the project;
  + Process to be followed for environmental and social screening to guide decision-making about proposed sub-projects;
  + Steps and processes to be followed for conducting environmental and social assessment and preparation of Environmental and Social Management Plans for selected sub-projects;
  + Preliminary identification of anticipated environmental and social impacts in the context of broad/known project interventions;
  + Generic environment and social management measures to avoid, minimize and mitigate anticipated impacts;
  + Institutional arrangements for environment and social management, including monitoring and reporting.

The ESMF will be an “up-to-date” or a “living document” enabling revision, when and where necessary. Unexpected situations and/or changes in the project or sub-component design would therefore be assessed and appropriate management measures will be incorporated by updating the ESMF. Such revisions will also cover and update any changes or modifications introduced in the legal or regulatory regime of the country. Also, based on the experience of application and implementation of this framework, the provisions and procedures would be updated, as appropriate in consultation with the World Bank and the implementing agencies/departments.

## Background

The contraction of Lesotho’s GDP over the last decade has led to persistently high unemployment and increased poverty in the country. The situation has been compounded by Covid-19 pandemic which has had a devastating effect on the economy through disruption of critical value chains, raising prices of inputs and weakening demand for exports, with a resulting negative impact on businesses and jobs.

The domestic private sector remains small and weak. The domestic private sector is largely constituted of weak Micro, Small and Medium Enterprises which are survivalist rather than growth orientated. In recent years there have been efforts to strengthen the entrepreneurship ecosystem through support to high growth potential start-ups. The Lesotho Start-up Network (LSN) has initiated a program to build the capacity of business incubators and accelerators in order to improve the quality of handholding for high growth potential start-ups. Other aspects of the entrepreneurship ecosystem that require strengthening include, among others, access to financing for high growth start-ups, technical and managerial skills, mentorship, and market linkages.

The role of the financial sector in supporting private sector-led growth has been hampered by limited financial intermediation, low financial inclusion, limited use of digital financial services, and low consumer awareness of financial products. Less than 50% of the population (age 15+) hold bank accounts and less than 40% of the population (age 15+) use digital payments. Importantly, the adverse impact of Covid-19 on businesses and SMEs could pose risks to the financial sector. Lesotho’s recurrent shocks have negative impacts on the private sector.A disaster risk financing strategy would enable the government to bring together a combination of pre- and post-disaster financing instruments that address the evolving needs of large businesses and Micro, Small and Medium Enterprises (MSMEs) – both of which proved to be highly vulnerable during the Covid-19 shock. The strategy would help ensure that support is provided in a timely and efficient manner during and after the shock.

The proposed Competitiveness and Financial Inclusion project is intended to contribute to economic growth and poverty reduction in the country, through strengthening of competitiveness of priority value chains in manufacturing, commercial agriculture and tourism, and scaling-up support for entrepreneurship ecosystem and MSMEs development. Expected outputs of the project include improved job creation along priority values chains; capacitated MSMEs with improved access to finance and more resilience to economic shocks and other disasters; as well as capacitated implementing agencies.

## Project Development Objective

The Project Development Objective is to increase access to business support services and financial products targeted at MSMEs and entrepreneurs, especially women and youth.

The proposed project supports results in two areas:

1. Improvements in government to business services and government supported financial products that increase MSME creation, growth, and resilience to climatic and other shocks, and
2. Direct support for entrepreneurship and MSMEs to increase startup creation and growth and the capabilities of MSMEs to grow and participate in the value chains of high potential export industries. The project will support the Government’s economic recovery plans and the work of the Prime Minister’s Delivery Unit (PMDU) of removing obstacles to private sector investment.

In terms of Environmental and Social Risk Categorization (ESRC), the project has been rated as moderate with minor and reversible environmental and social impacts.

## Project Components

Table 1: Project Components and their activities

| **Components** | **Sub-Component** | **Activities** |
| --- | --- | --- |
| 1. Enhancing Government to Business Digital Services and Private Sector Resilience | 1.1 Enhancing G2B Digital Services | * Upgrades to enhance the functionality, sustainability, and inter-operability of key Government to Business (G2B) systems including business registration and licensing, construction permitting, land administration, trade facilitation (customs and national single window), and cross-border transport and transit operations; * Development of a G2B systems interoperability framework with institutional agreements and architecture for secure data exchange between agencies/G2B backbone systems (including One Stop Business Facilitation Centre’s [OBFC] business licensing and registration, Lesotho Revenue Authority (LRA) tax and trade facilitation, Land Administration Authority’s (LAA) property registry, and Central Bank’s (CBL) credit bureau and moveable assets registry (LERIMA); * Implementation of a government payment gateway, with incentives for merchant payments, to consolidate and enhance the effectiveness of digital G2B payment systems and related processes. |
| 1.2 Improving Access to Financial Services | * Strengthen the credit infrastructure system that facilitates access to business financing including upgrades and capacity building to expand use of the credit reporting system and the LERIMA moveable assets registry; * Promote market innovation through the development of new financial products including capacity building for financial institutions and MSMEs to utilized asset based lending and technical assistance to Post Bank and prospective borrowers for value chain financing for commercial farmers and agribusinesses; * Expand the impact of the LNDC risk sharing facility through the development of a portfolio guarantee by providing technical assistance to LNDC, PFIs, and MSMEs to revamp and utilize the facility. |
| 1.3 Strengthening the Resilience of MSMEs to Disaster and Shocks | * This sub-component will be co-financed with a GRiF grant. * Strengthen private sector resilience to climatic disasters and shocks: * Provide $4.0 million for MSME financial resilience * Provide $6.0 million for sovereign insurance to protect MSMEs from shocks * Work with the national business registry to establish a database for informal MSMEs eligible for financial support during climatic shocks * Provide technical assistance on the design and procurement of a sovereign insurance backstop, and co-financing of insurance premiums * TA on disaster risk financing including adoption of a National Disaster Risk Finance Policy. |
| 1. Scaling Support for Entrepreneurship and MSMEs | 2.1 Establishing an Entrepreneurship Hub and Seed Financing Facility | * Support to establish a sustainable Entrepreneurship Hub within the new Tourism Information and Crafts Center building including: * Upskilling and certification of entrepreneurship support organizations (ESOs); * Competitive funding for ESO run incubation programs that incubate up to 500 innovative SMEs/startups; * Facilitation for the integration of the Lesotho Startup Community (LSC) within a wider regional entrepreneurship ecosystem and build links to the Basotho Diaspora;   + Seed Financing Facility to provide funding for startups/innovative SMEs including investments of $50,000 for 50 startups with entry into an acceleration program run by the fund management company; follow on investment for 5 startups that demonstrate traction. |
| 2.2 Scaling the Lesotho Enterprise Assistance Program (LEAP) for MSMEs | * Matching grants to MSMEs for productivity improvements or business expansion. This is an evolution of the current Lesotho Enterprise Assistance Program (LEAP); * Grants for skills development programs developed jointly by the private sector and public or private training providers. Programs would target for technical, supervisory and management skills in export sector or other high potential sectors including digital. Innovative delivery mechanisms such as digital platforms would be encouraged; * Program administration costs including LEAP staff, consultancy contracts to augment LEAP management, program evaluation, and related costs. |
| 2.3 Expanding SME Participation in High Potential Value Chains | * For textile and apparel Global Value Chain (GVC), TA program will consist of a multi-year, integrated ILO Sustaining Competitive and Responsible Enterprises (SCORE) program and the International Trade Center (ITC) Global Textile and Clothing (GTEX) program, tailored for Basotho firms, and delivered jointly by both organizations; * Expansion of smallholder horticulture production through a Horticulture Incubation program. Support under this program will finance goods, works, equipment, operating costs, technical assistance, and capacity building to setup a Horticulture Incubator for small farms and agribusiness SMEs and expand horticulture production for export. |
| 3. Project Management and Implementation Support |  | * This component will provide support for the management and implementation of project-associated activities; * This component will also support capacity building of the PMDU (Prime Minister’s Delivery Unit under the Cabinet Subcommittee on Trade and Investment), given the importance of the PMDU to delivering on the goals of the NSDP II and the related objectives of this project. |

## Criteria for exclusion

This serves as a criteria to be used to identify sub-projects which should not be approved under this project due their likely significant environmental or social impact. The following should be excluded:

* Sub-project activities that would be classified as high or substantial as per the World Bank ESF classification criteria;
* TA activities that may entail downstream significant adverse impacts or risks (ToR for each proposed TA activity should be developed in line with the principles of ESF);
* Projects which will have a negative impact on critical habitats;
* Projects which may have irreversible impact on or loss of natural habitats;
* Construction projects which may lead to involuntary loss of land or assets, access to land or resettlement (physical or economic) and loss of livelihoods;
* New construction projects which may have negative impact on cultural heritage;
* Projects which may have significant adverse social impacts or could lead to significant social conflict;
* Projects which are highly likely to have significant adverse effects on human health and/or the environment;
* Sub-projects which block access to or use of land, water points etc. used by others.

# Key Policies, legal and Administration Framework

This section provides international and national planning, policy, legal and administrative requirements relevant to the project.

## World Bank Environmental and Social Standards (ESSs)

There are ten Environmental and Social Standards designed to guide the management of risks and impacts of projects financed by the World Bank so as to improve environmental and social performance. These shall be applied together with World Bank Group Health Safety Guidelines (EHSGs), and other relevant Good International Industry Practice (GIIP).

Table 2: World Bank Environmental and Social Standards

| Environmental and Social Standard (ESS) | | Description | Relevance |
| --- | --- | --- | --- |
| ESS 1 | Assessment and Management of Environmental and Social Risks and Impacts | ESS1 sets out the Borrower’s responsibilities for assessing, managing and monitoring environmental and social risks and impacts associated with each stage of a project supported by the Bank through Investment Project Financing, in order to achieve environmental and social outcomes consistent with the Environmental and Social Standards (ESSs). | Borrowers are required to conduct environmental and social assessments so as to ensure environmental and social sustainability of WB financed projects. The purpose of the assessment is to inform the design of the project as well as identification of mitigation measures and improve decision making (World Bank 2017).  Although the project is not anticipated to have significant environmental and social impacts, some of the sub-projects may require environmental and social assessments or development of Environmental and Social Management Plans (ESMPs). For instance, sub-component 2.3 involves renovation of skills center facility in Mahobong and this will require minor construction works.  In addition, a number of sub-components will necessitate purchasing of ICT equipment which may lead to generation of electronic waste (e-waste) during repairs and end-of-life disposal.  ESS 1 is therefore relevant to this project. One of the objectives of this ESS is to utilize national institutions, laws and procedures in the assessment and management of projects where appropriate (World Bank, 2017). The Lesotho Environment Act of 2008 is the applicable law in this regard and provides among others guidance on the type of projects for which an EIA has to be carried out. |
| ESS 2 | Labor and working conditions | ESS2 recognizes the importance of employment creation and income generation in the pursuit of poverty reduction and inclusive economic growth. Borrowers can promote sound worker-management relationships and enhance the development benefits of a project by treating workers in the project fairly and providing safe and healthy working conditions | This standard is relevant as sub-components will involve engagement of project workers. Sub-projects should be implemented in accordance with the requirements of ESS 2 and Lesotho labour laws to ensure acceptable working conditions.  The objectives of ESS 2 include promoting health and safety at work; promoting fair treatment and protection of project workers as well as preventing all types of forced labour including child labour.  The standard requires application of occupational health and safety measures which will take into consideration the general Environmental, Health and Safety Guidelines (EHSGs), applicable industry ESHGs as well as other Good International Industry Practice. |
| ESS 3 | Resources efficiency and pollution prevention and management | ESS3 recognizes that economic activity and urbanization often generate pollution to air, water, and land, and consume finite resources that may threaten people, ecosystem services and the environment at the local, regional, and global levels. The current and projected atmospheric concentration of greenhouse gases (GHG) threatens the welfare of current and future generations. At the same time, more efficient and effective resource use, pollution prevention and GHG emission avoidance, and mitigation technologies and practices have become more accessible and achievable. | This ESS is relevant as there is potential of e-waste generation as well as use of agro-chemicals which may lead to environmental pollution.  One of the objectives of the standard is avoidance or minimization of adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities as well as avoidance and minimization of generation of hazardous and non-hazardous waste. |
| ESS 4 | Community health and safety | ESS4 recognizes that project activities, equipment, and infrastructure can increase community exposure to risks and impacts. In addition, communities that are already subjected to impacts from climate change may also experience an acceleration or intensification of impacts due to project activities. | This ESS is relevant as there are sub-project activities which may affect community health and safety such as those which will involve the use of agro-chemicals, generation of e-waste and hazardous waste, harmful emissions as well as exposure to Covid-19. There is also potential for social issues such as social conflict, risk of GBV, labor influx, as well as transmission of diseases such as HIV/AIDS.  The objectives of ESS 4 include to anticipate and avoid adverse impacts on the health and safety of project-affected communities during the project life cycle from both routine and non-routine circumstances. |
| ESS 5 | Land acquisition, restrictions and land use and involuntary resettlement | ESS5 recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons. Project-related land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), or both. The term “involuntary resettlement” refers to these impacts. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement. | This ESS is not relevant as physical and economic displacement resulting from types of land acquisition or land use restrictions described under the scope of application of this ESS is excluded. Minor repair works to be financed under the project will take place within existing footprint on a well demarcated land that already belongs to the government. There is also no risk of encroachment as the site is fenced and has been in government possession for a long period of time (in other words, the land was not acquired recently in direct anticipation of the project, and thus, there are also no legacy issues). |
| ESS 6 | Biodiversity conservation and sustainable management of living natural resources | ESS6 recognizes that protecting and conserving biodiversity and sustainably managing living natural resources are fundamental to sustainable development. Biodiversity is defined as the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species, and of ecosystems. Biodiversity often underpins ecosystem services valued by humans. Impacts on biodiversity can therefore often adversely affect the delivery of ecosystem services. | This ESS is relevant although in a way that is indirect and may be considered insignificant as there may be vegetation removal in some of the sub-projects that may be supported by the project.  For sub-projects which are not yet known and in which ESS 6 maybe relevant, mitigation hierarchy in accordance with ESS 1 and the requirements of ESS 6 should be applied. Projects which are likely to impact critical habitats should not be approved.  The standard objectives include protection and conservation of biodiversity and habitats as well as promotion of sustainable management of living natural resources. |
| ESS 7 | Indigenous people/sub-Saharan Africa historically underserved traditional local communities | This ESS applies to a distinct social and cultural group. The terminology used for such groups varies from country to country, and often reflects national considerations. ESS7 uses the term “Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities,”1 recognizing that groups may be referred to in different countries by different terms. Such terms include “Sub-Saharan African historically underserved traditional local communities,” “indigenous ethnic minorities,” “aboriginals,” “hill tribes,” “vulnerable and marginalized groups,” “minority nationalities,” “scheduled tribes,” “first nations” or “tribal groups.” | This ESS is not relevant to Lesotho. |
| ESS 8 | Cultural heritage | ESS8 recognizes that cultural heritage provides continuity in tangible and intangible forms between the past, present and future. People identify with cultural heritage as a reflection and expression of their constantly evolving values, beliefs, knowledge and traditions. Cultural heritage, in its many manifestations, is important as a source of valuable scientific and historical information, as an economic and social asset for development, and as an integral part of people’s cultural identity and practice. ESS8 sets out measures designed to protect cultural heritage throughout the project life cycle. | This ESS is not relevant as there is no anticipated impact on cultural heritage. |
| ESS 9 | Financial intermediaries | ESS9 recognizes that strong domestic capital and financial markets and access to finance are important for economic development, growth and poverty reduction. The Bank is committed to supporting sustainable financial sector development and enhancing the role of domestic capital and financial markets. | This ESS is not relevant as there will not be financial intermediaries involved in the project. |
| ESS 10: | Stakeholder engagement and information disclosure | This ESS recognizes the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice. Effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation. | ESS 10 is relevant as it applies to all projects supported by the WB through Investment Project Financing. The standard identifies stakeholder engagement as an integral part of environmental and social assessment, project design and implementation (World Bank, 2017). A Stakeholder Engagement Plan therefore forms part of Environmental and Social documentation for this project.  One of the objectives of ESS 10 is establishment of a systematic approach to stakeholder engagement that will help Borrowers identify stakeholders and build and maintain a constructive relationship with them, in particular project affected parties. |

## Relevant International Agreements to which Lesotho is signatory

The following are the international conventions and treaties relevant to the project to which Lesotho is signatory.

Table 3: International agreements to which Lesotho is signatory

| International Agreements | Relevance |
| --- | --- |
| Montreal Protocol on protection of the ozone layer by phasing out the production of a number of substances which are believed to be responsible for ozone depletion. | Sub-projects shall avoid use of ozone depleting substances such as use of solvents that contribute to emissions of chlorofluorocarbons (CFCs) and related chlorinated hydrocarbons. |
| Stockholm Convention on Persistent Organic Pollutants (POPs) | Burning of plastics should be prohibited at project sites in order to prevent the release of dioxins and furans into the atmosphere. The project should observe the articles of this convention and show compliance.  The project will constrain the use of POPs such as organochlorine pesticides in Horticulture activities and polychlorinated biphenyls in textiles as they both have very long range transportation, bio-accumulation and harmfulness to humans and wild. |
| Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal | Hazardous waste generated that may be generated by sub-projects and will have to be disposed outside of the country will have to be disposed of in relation to the requirements of this convention. |
| Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCC) which is meant to reduce emission of greenhouse gases into the atmosphere. | Textile industries carry out activities such as bleaching and dying, which have a potential of releasing greenhouse gases in the atmosphere. Sulphide gases from bleaching can cause greenhouse effects in the atmosphere. It is important to identify sustainable alternatives in order to reduce emission of greenhouse gases into the atmosphere for this project. |
| Africa Convention on Conservation of Nature and Natural Resources: to encourage conservation, utilization and development of soil, water, flora and fauna. | Throughout the project, it shall be ensured that there is protection of natural resources for the present and future welfare of mankind. Prevention of water pollution and soil contamination is key for this project, especially management of waste water and sludge, and use of bio-cumulative pesticides. |
| Vienna Convention for Protection of the Ozone Layer. | The project must adopt measures to combat activities responsible for ozone depletion. Use of carbon-based compounds such as HCFs or CFCs and methyl bromide, commonly used in fire extinguishers and fumigation respectively should be minimized. These substances contribute to the ozone layer depletion, therefore minimal or no usage of such substances is important. |
| Convention on Biological Diversity (CBD): Dedicated to promoting sustainable development. | The project is bound to observe and comply with the conservation of biodiversity, the sustainable use of its components and the fair and equitable sharing of the benefits arising from the use of genetic resources. |
| Cartagena Protocol on Biosafety. | In the case where Genetically Modified Organisms (GMOs) are used, especially in Horticulture, the project shall observe this protocol in order to ensure safety of the natural environment against GMOs. |
| Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) | There should be protection by all means of endangered plants and animals, especially when it comes to unregulated trade. Activities of sub-projects shall not involve unregulated international trade of wild animals in order to acquire raw materials. |
| Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade | During the course of the project, informed decisions shall be made regarding handling of hazardous chemicals, in order to protect human health and prevent potential environmental harm. Hazardous chemicals must be packaged and labelled properly for disposal. Hazardous chemical pesticides and dyes must be classified carefully. |
| ILO C029 - Forced Labour Convention, 1930 (No. 29): Each Member of the International Labour Organization which ratifies this Convention should suppress the use of forced or compulsory labour in all its forms within the shortest possible period. | Labourers shall engage in the project voluntarily for the purpose of this convention in order to suppress compulsory working conditions as a result of deception or coercion, or under threat of penalty or punishment. |
| C087 - Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87): Each member is required to provide the right of full freedom to workers and employees regarding constitution and rules, formulating programmes and taking part in confederations. | Labourers shall join the organization without previously being authorized. Further, there shall be freedom of choice for the voting of officers, and consolidation of internal committees. |
| ILO C098 - Right to Organize and Collective Bargaining Convention, 1949 (No. 98): Members shall ensure adequate protection of employees and workers against any acts of interference by each other or each other's agents or members in their establishment, functioning or administration. | Ensure workers’ protection from discrimination for their membership or engagement in union activities. |
| ILO C100 - Equal Remuneration Convention, 1951 (No. 100): Employers’ rates of remuneration should be established without discrimination based on gender. | Employers must provide for equal remuneration for work of equal value independent on whether it is performed by men or women. |
| ILO C105 - Abolition of Forced Labour Convention, 1957 (No. 105): Members of the ILO which ratify this convention shall suppress and not to make use of any form of forced or compulsory labour. | Employees cannot be forced to work under discipline or punishment for strikes or for holding certain political views. |
| ILO C111 - Discrimination (Employment and Occupation) Convention, 1958 (No. 111): Each member is in force to equality of opportunity and treatment in respect of employment and occupation, with a view to eliminating any discrimination in respect. | Forbid distinction, exclusion or preference based on race, colour, sex, religion, political opinion, national extraction, or social origin. Parties to the Convention are required to set up and align national policies to the convention in order to guarantee equality of treatment and opportunity. |
| ILO C138 - Minimum Age Convention, 1973 (No. 138): Each Member who ratifies this Convention shall specify, in a declaration appended to its ratification, a minimum age for admission to employment or work. Non-compliance may jeopardize the health, safety or morals of young persons. | Minimum age for labourers must be kept at the agreed national age in order to abolish child labour. |
| ILO C182 - Worst Forms of Child Labour Convention, 1999 (No. 182): Participants shall design and implement programmes of action to eliminate as a priority the worst forms of child labour. Also, provide the necessary and appropriate direct assistance for the removal of children from the worst forms of child labour and for their rehabilitation and social integration. | There should be prohibition of slavery of children through compulsory labour. Trafficking of children is prohibited. |
| African Charter on Human and Peoples’ Rights, 1986: Every individual shall be entitled to the enjoyment of the rights and freedoms without discrimination. | Promotion and protection of human rights in CAFI sub-projects is essential. |
| African charter on the rights and welfare of the child, 1999: Every child shall be protected from all forms of economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child’s physical, mental, spiritual, moral, or social development.  Article 13 under this convention states that disabled children must be given proper training and education for employment and recreational activities. | Action must be taken to ensure protection of every child against economic exploitation. Best interests of the children shall be the primary consideration. |
| African charter on the rights of women, 2005: Article 13 of this convention states that there shall be adaption and enforcement to ensure equality of women in careers, work and economic opportunities. | The hiring process shall not only cater for men but women as well. They should be sensitized to adjust to working conditions. Women should be protected against sexual harassment and violence, especially elderly women.  Put disabled women through proper training in order to make them more suitable for employment. |
| African Youth Charter, 2009: Member states under this framework must provide for youth empowerment, not only addressing issues faced by the youth but also catering for the disabled. The youth is anyone between the age of 15 and 35. | The youth’s contribution must be considered for the employment, education, skills development, peace and security. |

## Relevant National Laws, Policies and/or Guidelines

### Constitution of Lesotho, 1993

The Constitution of Lesotho acknowledges the right to access of information as a Human Right under section 14 (1). It states that every person shall be entitled to, and (except with his own consent) shall not be hindered in his enjoyment of, freedom to receive ideas and information without interference, freedom to communicate ideas and information without interference (whether the communication be to the public generally or to any person or class of persons) and freedom from interference with his correspondence. However, one’s freedom cannot prejudice the rights and freedoms of others or the public interest.

Section 20 of Lesotho’s constitution, right to participate in government makes provision for the right to take part in conduct of public affairs, directly or through freely chosen representatives. This also includes having access to general terms of equality and public services.

Section 36 of Lesotho’s constitution makes provision for the protection of the natural environment and states that “Lesotho shall adopt policies designed to protect and enhance the natural and cultural environment of Lesotho for the benefit of both present and future generations and shall endeavour to assure all citizens a sound present and safe environment adequate for their health and wellbeing”.

**Relevance to the project**

It should be ensured during project implementation that all policies intended for protection of both natural and cultural environment are complied with throughout all project phases. This shall assure that the environment is preserved for both present and future generations as well as not be detrimental to their health. Also, is shall be ensured that every person involved in the project is entitled to all project information and participate where there is need.

### Environment Act 2008

The Environment Act makes provision for the following principles of environmental management:

* To assure every person living in Lesotho the fundamental right to a clean and healthy environment;
* To ensure that sustainable development is achieved through sound management of the environment;
* To use and conserve the environment and natural resources of the Basotho Nation for both the present and future generations, taking into account the rate of population growth and the productivity of available resources;
* To ensure that waste generation is minimized and safely disposed of.

The Act prohibits emission of substances which cause pollution in contravention of emission standards. It also prohibits discharge of hazardous substances, chemicals, materials and oils in the environment. Section 21 (3) of the Act states that the environment impact statement shall be open for public inspection.

Section 22 is on review of environmental impact statements and subsections states that if the Director deems it proper after receipt of the environmental impact statement shall do the following:

1. Invite public comments on the environment impact state in general;
2. Invite the comment of those persons who are most likely to be affected by the proposed project by specifically drawing their attention to the environmental impact statement;
3. N/A
4. Require holding of a public hearing for persons most likely to be affected by the proposed project or activity if it is deemed necessary.

**Relevance to the project**

Implementation of the sub projects such as commercial agriculture and horticulture should make use of natural resources in a sustainable way that does not deprive future generations from such resources. In terms of waste disposal it should be ensured in sub projects where waste is generated it is disposed of safely ensuring that there is no discharge of any hazardous substances in the environment.

It shall also be ensured that all relevant stakeholders are engaged throughout all project stages wherever there is need to do so.

### Historical Monuments and Relics, Fauna and Flora Act of 1967

This Act is meant for the preservation and protection of natural and historical monuments, fauna and flora. It prohibits the destruction, damage or removal of relics, monuments and certain specified fauna and flora.

Care should therefore be taken to minimize removal of vegetation to only where necessary by the Contractor.

**Relevance to the Project**

During project implementation care should be taken to minimize removal of vegetation to only where necessary.

### Local Government Act 1997

Local Authorities are amongst others charged with the responsibility of land administration, water supply and public health. It is therefore important to involve local authorities throughout every stage of the project. There should be close liaison with local authorities during labour recruitment as well as selection of waste disposal site.

**Relevance of the Project**

There shall be liaison with the local authorities for selection or identification of waste disposal sites in liaison with the Department of Environment. Local authorities working with Land Administration Authority (LAA) will also be involved in identification and allocation of land for relevant sub-projects under CAFI. They will also ensure that sub-project activities with a potential of negatively impacting public health are monitored.

### Labour Code of 1992

The Labour Code Order aims to prevent accidents that are likely to cause harm to workers. It states that any container which has toxic, corrosive or flammable substances must be marked so, stored and handled safely.

Part VII of this Code deals with Health, Safety and Welfare at work: The employer is required to ensure that persons, both those employed and those not employed but who may be affected by his/her activities, are (as far as is reasonably practicable) not exposed to risks to their safety and health. The responsibilities of employees include wearing of any protective equipment or clothing (PPE/C) provided by the employer.

There should be compliance with the following Labour Code Amendments:

* Construction Regulations, 2002;
* Labour Code (Codes of Good Practice), 2003;
* Labour Code (Amendment) Act, 2006;
* Labour Code (HIV and AIDS at workplace) Guidelines, 2010.

In addition, according to Part IX of the Labour Code, section 125 (general restrictions on employment of children and young persons) no person shall employ a children or young person under injurious conditions. Section 130 (Restrictions on night work) also adds that there will be no night work for employees who are not fit enough, especially pregnant women who are 3 months due to delivery and 3 months into postpartum.

Part XV of the Labour Code (Unfair Labour Practices): individuals who offer employment or threatens another person or harasses workers sexually in the course of employment as a means of obtaining sexual favors shall commit an unfair labour practice. If a person found guilty of an offence against the Code, the individual is liable to a fine of six hundred maloti or to three months imprisonment or both.

**Relevance to the Project**

There should be compliance with the Labour Code and all its amendments throughout implementation of all sub projects. Material safety data sheets for all substances or materials should be provided as well as personal protective equipment or clothing for all workers. There is also a need to keep a record of all Occupational Health and Safety incidences and report them to relevant authorities. All workers, both women and men, should be able to engage in employment without being subject to discrimination. Vulnerable groups not engaged in injurious activities or harassed sexually by employers or other employees.

### Water Act 2008

The Water Act makes provision for management, protection and conservation development and sustainable utilization of water resources. According to section 20, no person shall engage in using or abstracting water without a water use permit. A person who wishes to use water shall make an application to the Director in form A prescribed in Schedule 1. An application fee shall be accompanied by a non-refundable fee prescribed in Schedule 2. Section 26 of the Act stipulates that every person has an obligation to prevent pollution of water resources from occurring. It further indicates that where pollution occurs or is likely to occur as a result of activities on land, the person who owns, controls, occupies or uses the land in question shall be responsible for taking measures to prevent such pollution from occurring.

**Relevance to the Project**

There should be application of water use permit before water can be drawn from any water source. There should not be water pollution emanating from project activities.

### AGRICULTURAL MARKETING ACT (NO. 26 OF 1967)

This Act is meant to control and improve the production, preparation, processing and marketing of agricultural products and the marketing of agricultural supplies, to consolidate and amend the law relating to the preparation, processing and marketing of agricultural products, and to provide for incidental and connected matters.

**Relevance to the Project**

Horticulture and commercial agriculture activities should be implemented in line with this act.

### THE BUSINESS LICENCING AND REGISTRATION REGULATIONS, 2020.

According to the Act, certain business activities have been reserved for indigenous Basotho nationals only. As such, selected activities have been listed and will be reserved for Basotho only. Indigenous Basotho have been described as Basotho citizens whose ancestry can be traced to at least 3 generations in Lesotho. To this end, foreigners will need to prove that that they have invested at least M2 million in their businesses to renew their trade licenses.

**Relevance to the Project**

For sub projects on business licensing and registration, it shall be ensured that all is carried in line with this regulation. The appropriate licenses should be acquired.

### NATIONAL STRATEGIC DEVELOPMENT PLAN OF LESOTHO (2018-2023)

The National Strategic Development Plan (NSDP II) aims to transform Lesotho from a consumer-based economy to a producer and export-driven economy. It serves as the blueprint for all development efforts during the implementation period. The vision is that Lesotho should have healthy and well-developed human resources; and that its economy should be strong, its environment well-managed and its technology well-established.

The overarching objectives of the Plan are:

• Sustainable Commercial Agriculture and Food Security;

• Diversified Products and Effective Business Linkages;

• Operational Industrial Clusters and Integrated Supply Chain;

• Improved and Diversified Tourism Products;

• Improved Creative Industry;

• Functioning Incubation Centres and Industrial Parks;

• Improved Use of ICT.

**Relevance to the Project**

The projects components are developed in line with the National Strategic Development Plan II. Component 1 of the project is in line with the following NSDP II objectives: diversified products and effective business linkages and improved use of ICT. Component 2 is in line with improved creative industry, operational industrial clusters and integrated supply chain, sustainable commercial Agriculture and food security, functioning incubation center and industrial parks.GAP analysis between World Bank ESF and Lesotho legislation

The World Bank Environmental and Social Standards are designed to assist Bank financed projects in management of potential risks and impacts so as to improve their environmental and social performance. The Bank classifies projects into four environmental and social classification: high risk, substantial risk, moderate risk and low risk and the factors such as project type, location, sensitivity and scale of the project, nature and magnitude of the potential environmental and social risks and impacts.

According the Environment Act of 2008 environmental impact assessment is an examination of a project or activity conducted to determine whether or not that project may have an adverse impact on the environment or natural resources. The nature of the project, scope, scale and location are one of the factors considered during an assessment.

Table 4: Comparison between World Bank and Lesotho Legislation

| Subject/Issue | World Bank Environmental and Social Standards | Lesotho Legislation | Comment(s) |
| --- | --- | --- | --- |
| Environmental Assessment | Environmental and Social Standard (ESS1) states that for Bank financed projects an environmental and social assessment should be conducted. There are requirements set out for environmental and social assessments. | According to the Environment Act of 2008, First Schedule Part A lists the types of projects which require an Environmental Impact Assessment. However, such listed projects types are not categorized. | Environmental and Social Assessment shall be carried out for sub-projects which require an EIA based on Environment Act of 2008, as per the ESSs as per the approach described in this ESMF. |
| Screening criteria | The World Bank has environmental and social risk classification of projects as follows:   * High Risk; * Substantial Risk; * Moderate Risk; * Low Risk.   The World Bank requires the development of an ESMF for projects that consist of a program or series of sub projects. An ESMF has a chapter on screening which gets used for screening of sub projects. | There are no projects categories under Lesotho Environment Act of 2008. | The overall project has been classified as moderate risk according the WB. Sub-project activities with a higher risk classification are therefore not permitted.  Th screening approach contained in this ESMF shall guide screening of sub-projects. |
| Environmental and Socials Management Plans (ESMPs) | According to the World Bank an ESMP is a requirement especially for sub projects which has potential adverse impacts and risks. | There is no clarity on ESMPs under the Environment Act of 2008. | In terms of ESMPs for sub projects, the World Bank requirements shall be followed as outlined in the project ESMF. |
| Stakeholder engagement and information disclosure | ESS10 sets out that there should be continued engagement and provision of sufficient information to stakeholders throughout the project life cycle. | There is also provision of stakeholder engagement and information disclosure in Environment Act of 2008. | There should be stakeholder engagement and information disclosure throughout life cycle of all sub projects in compliance with both World Bank ESS 10 and Environment Act of 2008 as well as other international best practice. |
| Grievance Redress | There is provision for grievance mechanism under World Bank ESS10. The Borrower should have a responsive grievance redress mechanism for receiving and facilitation of resolution of concerns and grievances of project affected parties. It should be proportionate to the risks and impacts of the project. | There is provision for grievance or complaint in the Labour Code order no 2 of 1992 for employees against employers. | Grievance Redress Mechanism which forms part of Stakeholder Engagement Plan (SEP) for the Project has been developed. |
| Community Health and Safety | ESS 4 is on Community Health and Safety. It recognizes that project activities, equipment and infrastructure can increase community exposure to risks and impacts. It further addresses such health, safety and security risks and impacts on project affected communities. | Public Health Order No. 12 of 1970 in general makes provision for protection of public health. | In terms of community health and safety all the sub projects will be in line with ESS 4 as well as Lesotho Public Health Order No.12 of 1970. |
| Pollution Prevention | ESS 3 has provision for pollution prevention and management. It clearly states that the borrower should avoid release of pollutants and when avoidance is not feasible minimization and control should be in place. | Environment Act No. 10 of 2008 has provision for pollution prevention as Part VII and IX are on pollution control and environmental management respectively. | For all potential risks and impacts identified the mitigation measures shall be in line with both ESS 3 and specifications of Environment Act on pollution prevention. |
| Conservation of Natural Resources | ESS 6 addresses sustainable management of primary production and harvesting of living natural resources. There should be protection and conservation of biodiversity and sustainably managing living natural resources. | Water Act NO. 15 of 2008 makes provision for management, protection and conservation development and sustainable utilization of water resources. It further states that no person shall engage in using or abstracting water without a water use permit.  Environment Act of 2008 also makes provision for environmental management through implement of principles such as use and conservation of the environment and natural resources of the Basotho Nation for both the present and future generations. | Where there is need for use of natural resources like water in the Project, the specifications in the Water Act No. 15 of 2008 shall be followed for instance, applying for water use permit before abstracting water from any water resource. Also, all requirements under ESS 6 on protection and conservation of natural resources shall be followed. |

# Baseline Data

## Biophysical Environment

### Climate

Lesotho’s climate is characterized by hot summers and relatively very cold winters. Lesotho climate historical data for the past three decades (1991-2020) is presented in figure 1. According to the World Bank, (2021) climatology of Lesotho’s mean annual temperature is 12.8 °C with monthly temperatures ranging between 15 °C (November to March) and 6 °C (June to July). Mean annual precipitation is 761.2 mm with the highest rainfall occurring October to April with extremely low levels of precipitation occurring between May to September.

According to the climate change projections, it is predicted that Lesotho will have increased precipitation in winter, and less precipitation in spring and summer months. This will lead to insufficient ground water recharge which in the absence of appropriate climate change adaptation strategies will lead to water scarcity. Increased precipitation in winter will lead to heavy snowfall events and frost.

Also, due to climate change, there is a possibility of warming temperatures therefore impacting the growing seasons of plants. Delayed rainfall in summer months may be in the form of high intensity rainfall events which will most likely to result in flash floods, triggering slope instability and other climate related hazards such as landslides.

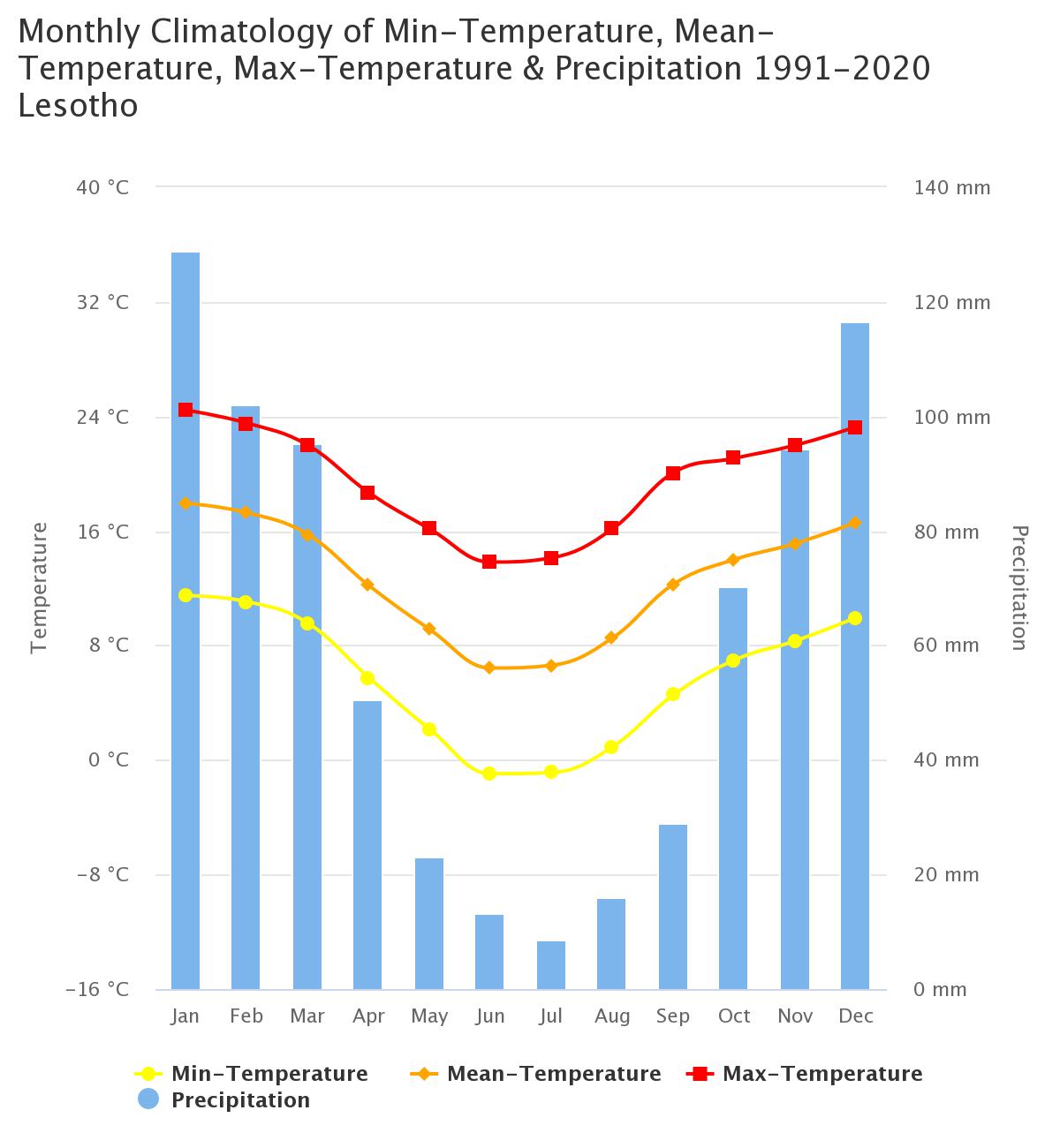


Figure 1: Climatology of Lesotho from 1991-2020 https://climateknowledgeportal.worldbank.org/country/lesotho/climate-data-historical

### Topography

Lesotho is a mountainous Kingdom landlocked by the Republic of South Africa. The geographical coordinates of Lesotho are as follows: latitude - 29.6232 longitude: 28.2335 and it lies between 1500 and 3500 meters above sea level in altitude (National Foreign Assessment Center [U.S.], 2014). It has rough terrain characterized by steep slopes and deep canyons. Help Lesotho, (2015) reported that Lesotho is divided in to four physiographic regions namely: lowlands, foothills, the Orange Senqu River valley and the highlands as well as ten administrative districts. According to Lesotho Desk Review, Fews Net (2013) the zones are characterized by distinct climatic and ecological differences. The lowlands are in the west region with relatively high rainfall and has soil susceptible to erosion. Foothills are found in the center with lower rainfall compared to the lowland zone and they have loose sandy topsoil which is easily eroded by wind and rain water due to over grazing. Senqu River Valley is very steep valley along the Senqu River which runs from the east to west across the country. It has low rainfall and has rich soils along the bank of the river. The highlands constitutes the largest portion of the country with very cold winters. Figure 1 shows the four agro-ecological zones Lesotho.

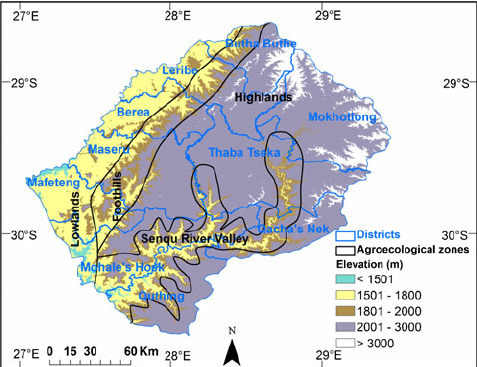


Figure 2: Agro-ecological zones of Lesotho https://www.researchgate.net/figure/Lesotho-map-showing-four-agro-ecological-zones-and-ten-districts\_fig1\_257449112

### Soil

Lesotho has mixtures of different types of soil mostly available in every district (Dewitte et al., 2013). The soils include cambisols, leptosols, phaeozemes, lixisols, ferralsols, solonets and luvisols (see figure 2). Lesotho is faced with a challenge of soil erosion hence there is a critical need for appropriate land management approaches. Food and Agricultural Organisation (FAO), (2015) provides some of the characteristics of Lesotho soils as follows:

* Leptosols and solonets are part of the soils with limitations to root growth. However, leptosols are thin with many fragments while solonets have high content of exchangeable sodium (Na);
* Ferralsols are distinguished by Iron (Fe) and Aluminum (Al) chemistry with dominance of kaolinite and oxides;
* Phaeozems have accumulation of organic matter in the topsoil, dark in colour without secondary carbonates;
* Lixisols and luvisols are soils with clay enriched subsoil. Lixisols have low activity clays whereas luvisols high activity clays and they both have high base status;
* Cambisols are moderately developed with little sometime no profile differentiation with a brownish discolorations and common in dry regions.

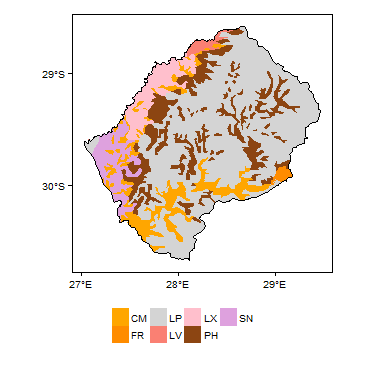


Figure 3: Soil types Map of Lesotho http://earthwise.bgs.ac.uk/images/0/0b/Lesotho\_soil.png

### Geology

The geology of Lesotho consists of the alluvial deposits, Lesotho formation, Clarens formation, Elliot formation, Molteno formation and Burgersdorp formation (Schmit G. and Rooyani F., 1987)

Lesotho formation (Drakensburg group-Jurassic period) consists of basalt which its weathering takes place mainly by decomposition and produces materials which varies from orange clays to unweathered rock.

The Clarens Formation (late Triassic to early Jurassic period) is the sedimentary formation underlying the basalts of the Jurassic Lesotho formation. It consists of massive cream colored fine grained sandstone and siltstones with occasional laminated beds.

Dolerite intrusions (Jurassic period) it consists of numerous dykes and some cut across all the geological formation and others die out within the basalts.

Burgersdorp formation consists of fine and medium grained siltstones, polycoloured shales and siltstones. According to UNDP, 1984 the uppermost part of this formation is exposed in Lesotho with its maximum exposed thickness in Caledon (Mohokare) river valley and the western part.

Elliot formation is a member of the Stormberg group which consists mainly of limestone, sandstone and mudstone. Figure 3 shows Lesotho basic geological map.

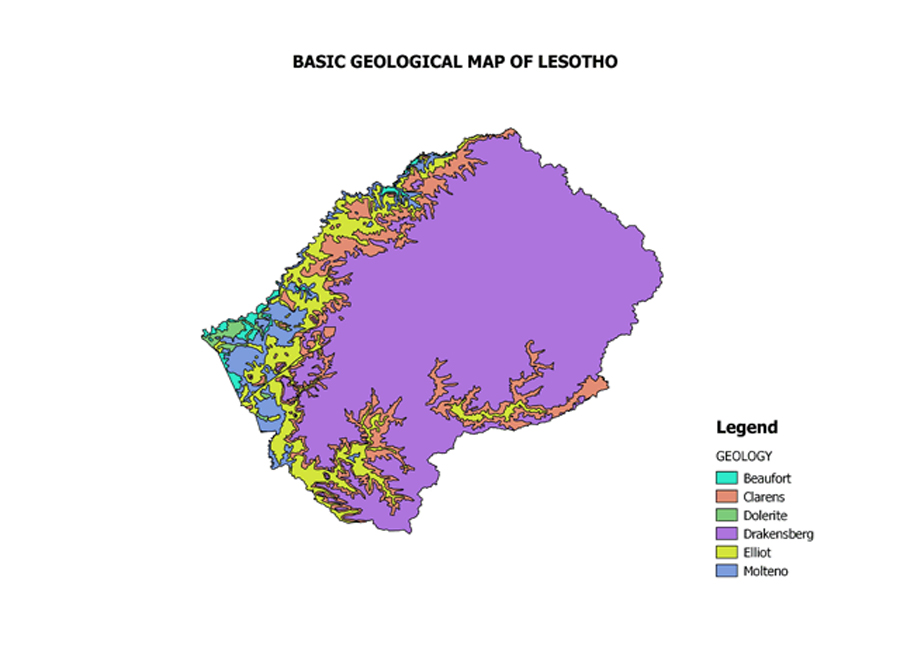


Figure 4: Basic geological Map of Lesotho http://www.mining.gov.ls/#portfolioModal3

## Biological environment – ecosystems

### Flora and Fauna

Kopczenski, (2021) reported that Lesotho is home to 339 different species of birds and 60 different species of mammals as well as over 2000 different types of plants. There are over 10 endangered animal specifies and 4 endangered plant species. The Department of Environment, (2009) stated that Lesotho is part of the Southern African grassland biome influenced mainly by altitude. Factors such as overgrazing, over harvesting, uncontrolled fire, encroachment by settlement, cultivation on rangelands, invasive alien species as well as pollution are reported to cause tremendous stress on vegetation.

### Water Resources

Lesotho is well endowed with relatively abundant water resources. There are three main rivers in Lesotho namely: Orange Senqu, Makhaleng and Mohokare (Caledon) Rivers. SSI, (2009) reported that the flow of Orange Senqu to be from the highlands to the west and joins the Atlantic Ocean with the total catchment area of 20 847 km2. Makhaleng River is from the western part of Lesotho and joins the Orange Senqu and has a catchment area of 2 911 km2. Mohokare Caledon River is a transboundary river between Lesotho and Republic of South Africa with the total catchment area of 6 890 km2. It joins the Orange Senqu River at the Gariep reservoir in the Republic of South Africa. Wetlands are the other form of water resources found in Lesotho and they feed rivers. They are considered ecologically sensitive ecosystems with unique habitats for a great variety of plants species, birds and other aquatic organisms (Collins, 2005).

## Socio-economic conditions

### Demographics

The World Bank classifies Lesotho as a lower middle income country. Lesotho’s population is essentially made up of one cultural homogeneous ethnic grouping, the Basotho, and is estimated to be 2 million. The population growth rate is 2.3%. Worldometer, (2020) shows the population of Lesotho as 2, 168 456. There are 321 00 children in Lesotho (UNICEF, 2021). In terms of gender equality Lesotho is revealed to have performed well by gender status in sectors such as education and health (Bureau of statistics, 2019). The adult literacy rate for Lesotho is 75.8 % and population with at least some secondary education is 20.9 % however it is for population aged 25 and above (Fin Scope MSME Lesotho, 2015).

### Economic Situation

The economy of Lesotho is based on subsistence agriculture and pastoral production, light manufacturing supplemented by remittance from Lesotho mineworkers in South Africa. Lesotho is also the recipient of royalties for supplying water to Republic of South Africa. Gross National Product (GNP) per capita is GEF-7 PIF Template-March 15, 2019 (revised) estimated at US$ 550, which is relatively high compared to other Eastern and Southern African countries. However, a significant portion (49%) of the population in Lesotho lives under the poverty line. The situation is particularly severe in rural areas where poverty rates exceed 60%. The same rural areas also suffer from high environmental degradation, which is strongly linked to the socio-economic situation and behaviour of natural resource users.

According to the World Bank national account data nominal gross domestic product (GDP) per capita is $1.18. Lesotho’s economic growth has declined in recent years and fiscal challenges remain elevated, leading to fiscal consolidations. Real GDP growth has declined from 3.1 percent in 2017 to 1.7 percent in 2018 (African Development Bank, 2018). The country also faces high levels of poverty and inequality. Between 2002 and 2017, the national poverty rate declined only modestly, from 56.6 percent to 49.7 percent. Urban areas recorded strong poverty reduction (from 41.5 to 28.5 percent) while rural poverty stagnated at 61 percent, adding to an already large urban-rural divide. Food poverty declined from 34.1 to 24.1 percent while the poverty gap declined from 29.0 to 21.9 percent.

The major challenge facing Lesotho economy is the fact that Lesotho is unable to compete with the economies of large scale of producers in neighbouring South Africa as majority of food consumed in the country is imported.

In 2017 the unemployment rate stood at 27.25% and is unlikely to have changed much, even as underemployment and low productivity employment is widespread, especially in rural areas. Preliminary government estimates based on the 2010/11 Household Budget Survey show that the national poverty head count rate stood at 57.1% and the Gini Coefficient based on consumption stood at about 0.53. Poverty has decreased in urban areas, while poverty has increased in rural areas.

### Livelihoods

One of the most important livelihoods for the majority of the poor population is agriculture. However, agricultural growth is limited by difficult agro-climatic conditions and limited arable land. It is of utmost importance that an integrated agriculture and food system that ensures sustainable production of higher-value crops and livestock, be developed.

A large share of Basotho own goats and sheep, resulting in an estimated total of 4 million small stock animals on approximately 1.8 million hectares of rangeland. The number of animals, an unequal geographical distribution, and the seasonal herd movements from the mountains in summer to the lowlands in winter result in unregulated and excessive pressure on Lesotho’s rangelands. The severe overstocking of rangelands decreases the recovering ability of the pastures, leading to a widespread denudation of soil surfaces which multiplies the impacts of climate events such as drought and heavy rainfall on soil losses.

### Community Health and Safety

The COVID-19 pandemic is expected to lead to a significant increase in poverty and to setback in human capital accumulation (Shapira et al., 2021). According to UNICEF, (2021) it is stated that COVID-19 pandemic has worsened the humanitarian situation in Lesotho. Access to health services is limited especially in rural areas because of long distances to reach facilities. Also, COVID-19 has over bended the health systems.

In terms of communicable diseases HIV and AIDS remains a major health challenge with an estimated national prevalence of 23% (WHO, 2014). According to the Ministry of Health (2014) HIV and AIDS and pulmonary tuberculosis (PTB) dominate the communicable diseases in Lesotho.

### Identified Gender Gaps

The main gender gaps that have been identified for CAFI are:

1. **Gender gaps in human endowments (education and health):** gender gaps in health and education include maternal mortality, fertility rates, adolescent fertility, and HIV/AIDS. The maternal mortality ratio is still one of the highest in the world, with Lesotho ranking 170th out of 185 countries (UNICEF 2019) and affecting particularly rural women; adolescent fertility rates, although lower than regional average, is increasing,[[1]](#footnote-1) a key driver being the pressure of poverty and food insecurity, especially in rural areas where the beneficiaries of this Project reside, which push many young women into early or forced marriage or intergenerational relationships. Women in Lesotho comprise 58.6 percent of HIV-positive people, and the prevalence for girls aged 15–24 is more than double that of young men[[2]](#footnote-2).
2. **Gender gaps in ownership and control of assets (financial inclusion and entrepreneurship):** This refers to women’s ownership and control of property and assets which is essential to their economic empowerment and gender equality, because they lead to entrepreneurial outcomes, generating and diversifying income, women’s ability to access credit, and help coping with shocks.[[3]](#footnote-3) Accordingly, the identified gender gaps in access to land, especially in rural areas as it is managed by local chiefs and the legal rights of women are often bypassed by customary rites and laws; financial inclusion, as despite women display the highest access to formal bank accounts in the region, continue to rely more on informal sources of finance for their economic activities.

**Gender gaps in voice and agency and restrictive social norms:** social barriers to women’s employment, especially as they relate to household and childcare responsibilities, are compounded by legal barriers that disincentivize women’s work and progression in the labour force. In Lesotho, cultural norms render the responsibility for childcare and household labour to women, while placing expectation on men as the breadwinners for their families.[[4]](#footnote-4) Restrictive social norms and gender stereotypes further deter women’s active participation in economic activities outside the household, which has the effect – among others – to reinforce traditional gender roles and prevent the development of proactive attitudes that are important determinant of business success in entrepreneurial activities.

# Determination of potential Environmental and Social Impacts and risks

Chapter 4 shows the environmental and social potential impacts and risks that may be brought by implementation of the project. Presented in table 5 are general impacts which are common to most project sub-components while table 5 presents potential impacts and mitigations specific to each sub-component.

Table 5: General Potential Environmental and Socials and Risks

| **Impacts** | **Description** | **Mitigation/Enhancement** |
| --- | --- | --- |
| **Positive Impacts** | | |
| Employment creation | Implementation of the financial inclusion project will create employment opportunities for unemployed rural youth and other people from the local communities. There will also be engagement opportunities for both genders. All the sub-components of the project will directly and indirectly create employment opportunities. | Compliance with ESS 2 and national labour laws to ensure among others:   * Equitable access to opportunities by all including vulnerable groups; * Provision of acceptable working conditions; * Information dissemination on available employment opportunities within the project; * Awareness raising on GRM; * Compliance with health and safety requirements. |
| Skill development | The project shall include capacity building thereby improving the skills of people involved in the sub-projects and increasing their chances of being employable to similar projects beside the financial inclusion project. | Provision of on-job trainings and scheduled trainings for workers. |
| Economic growth | The project will contribute to economic growth through tax payment by the companies financed by the project and through improved Gross Domestic Product (GDP) as a result of job creation. Also sales of the products in all different sectors such as fruits and vegetables, handicrafts, and clothing items shall lead to economic growth. Financial inclusion project shall improve access to financial services thereby providing growth opportunities for firms and businesses hence economic growth. Overall, this project will significantly contribute to successful achievement of objectives of National Strategic Development Plan (NSDP) II. | All beneficiaries shall comply with their tax obligations.  There should also be monitoring and evaluation to ensure that the project is achieving its overall objectives. |
| Improved Livelihoods  Poverty Reduction | There shall be improvement of livelihoods and poverty reduction for people who shall be employed in all sub projects under financial inclusion project as they will be having disposable income. Having monetary income shall further lead to increased food security and nutrition for families of workers employed. | There shall be equal opportunities and no discrimination of vulnerable groups such as disabled people. |
| Gender Integration | Both men and women will be employed depending on the intensity of work to be done at different sub projects to ensure gender integration. | Provision of equal opportunities for both males and female. |
| **Potential Negative Risks** | | |
| HIV/AIDS and STDs | Creation of employment may cause people who will be engaged in refurbishment works under sub-component 2.3 to leave their homes and temporarily stay at project areas where they can be closer to their work place. This may result in this people forming sexual relations outside their families consequently leading to increased spread of HIV/AIDS and sexually transmitted diseases (STDs). | Awareness raising for workers engaged in refurbishment works under sub-component 2.3 as well as host communities. It will be important to engage HIV testing and counselling service providers for awareness raising, testing and counselling services.  Awareness raising on HIV for workers shall also be included in routine tool box talks during refurbishment works.  Access to testing and counselling services for workers engaged in refurbishment works |
| Social Tensions | There may be social tension arising from inadequate information about project activities for certain communities. | There shall be appropriate disclosure of information to all stakeholders;  Project-affected communities shall be provided with all the necessary project information including opportunities and potential impacts. |
| COVID-19 | COVID-19 is an ongoing pandemic that spreads through personal contact and there are chances of infections at workplaces. COVID-19 infections could arise from people gathering for capacity building workshops and training activities. | Development of Covid-19 prevention and response plan.  There should always be compliance with COVID-19 guidelines and regulations to control and minimize chances of potential spread. |
| Gender Based Violence (GBV)/ Sexual Exploitation Abuse (SEA)/ Sexual Harassment due to negative shift in power dynamics. | Project activities such as those under sub-component 2.3 will involve refurbishment works in which labour will be engaged and may lead to the following:   * Risk of women being exposed to SEA/SH in exchange for employment in minor construction works or from trainers; * Exposure of women to SEA/SH in exchange for being included as project beneficiaries; * Increased risk of GBV in homes if women have greater economic empowerment. * . | Compliance with Code of Conduct (CoC) against GBV/SEA/SH.  Awareness raising on reporting of GBV/SEA/SH incidents and implementation of GBV/SEA/SH prevention plan attached in annexure 8.4. |
| Exclusion of vulnerable groups from project benefits. | Vulnerable groups such as the people living with disabilities, women-led households or informal businesses, unemployed youth, and other low income groups may be excluded from the project benefits.  There may be challenges with genuine engagement with most vulnerable and disadvantaged groups) and ensuring their genuine participation in decision-making processes of the project. | The PMU shall ensure that there is inclusivity in the project by engaging with key stakeholders that represent the interests of vulnerable groups in order to sensitize them of the project benefits. Stakeholders that work with women and youth should be targeted as the project objective is to increase access to business support services and financial products targeted at MSMEs and entrepreneurs, especially women and youth. |

Table 6: Potential Risks of Component 1 Activities

| Component Activity | Potential Risks | Mitigation |
| --- | --- | --- |
| * 1. Enhancing G2B Digital Services * Upgrades to enhance the functionality, sustainability, and inter-operability of key Government to Business (G2B) systems including business registration and licensing, construction permitting, land administration, trade facilitation (customs and national single window), and cross-border transport and transit operations; * Development of a G2B systems interoperability framework with institutional agreements and architecture for secure data exchange between agencies/G2B backbone systems (including One Stop Business Facilitation Centre’s [OBFC] business licensing and registration, Lesotho Revenue Authority (LRA) tax and trade facilitation, Land Administration Authority’s (LAA) property registry, and Central Bank’s (CBL) credit bureau and moveable assets registry (LERIMA); * Implementation of a government payment gateway, with incentives for merchant payments, to consolidate and enhance the effectiveness of digital G2B payment systems and related processes. | **Generation of e-waste**  Enhancing of government IT systems might require purchasing of new IT equipment and disposing of old or outdated IT equipment. This might lead to generation of e-waste. There are currently limited facilities for disposal of e-waste in the country and this leads to e-waste being disposed together with general waste. When e-waste is improperly disposed, toxic chemicals are released and thereby polluting the biophysical environment and ultimately impacting human health (Elytus, 2019).   * Grievances related to unfair recruitment practices * Occupational Health and Safety related risks including: * Injuries which may be related to working at heights, working with hand tools and power tools; * Exposure to hazardous chemicals; * Ergonomics; * Covid-19 infections; * Road accidents. | Liaison with relevant stakeholders responsible for waste management is critical in ensuring that facilities for proper e-waste management are provided.  Should appropriate facilities not be available during the project implementation, arrangements should be made for export of project related e-waste.  Implementation of guidelines provided in Waste Management Plan in annexure 8.1  Compliance with ESS 2 and national labour laws to ensure among others:   * Equitable access to opportunities by all including vulnerable groups; * Provision of safe and healthy working conditions; * Information dissemination on available employment opportunities within the project; * Awareness raising on GRM;   Compliance with health and safety requirements including:   * Conducting risk assessment; * Provision of personal protective equipment/clothing; * Provision of training on safe working procedures. |
| 1.2 Improving Access to Financial Services   * Strengthen the credit infrastructure system that facilitates access to business financing including upgrades and capacity building to expand use of the credit reporting system and the LERIMA moveable assets registry; * Promote market innovation through the development of new financial products including capacity building for financial institutions and MSMEs to utilized asset based lending and technical assistance to Post Bank and prospective borrowers for value chain financing for commercial farmers and agribusinesses; * Expand the impact of the LNDC risk sharing facility through the development of a portfolio guarantee by providing technical assistance to LNDC, PFIs, and MSMEs to revamp and utilize the facility. | Generation of e-waste.  Occupational Health and Safety related risks including:   * Injuries which may be related to working at heights, working with hand tools and power tools; * Exposure to hazardous chemicals; * Ergonomics; * Covid-19 infections; * Road accidents.   . | Liaison with relevant stakeholders responsible for waste management is critical in ensuring that facilities for proper e-waste management are provided.  Should appropriate facilities not be available during the project implementation, arrangements should be made for export of project related e-waste.  Screening of projects and development of further E&S documentation such as ESMPs where necessary.  Implementation of guidelines provided in Waste Management Plan in annexure 8.1  Compliance with ESS 2 and national labour laws to ensure among others:   * Equitable access to opportunities by all including vulnerable groups; * Provision of safe and healthy working conditions; * Information dissemination on available employment opportunities within the project; * Awareness raising on GRM;   Compliance with health and safety requirements including:   * Conducting risk assessments; * Provision of personal protective equipment/clothing; * Provision of training on safe working procedures. |
| 1.3 Strengthening the Resilience of MSMEs to Disasters and Shocks   * This sub-component will be co-financed with a GRiF grant. * Strengthen private sector resilience to climatic disasters and shocks: * Provide $4.0 million for MSME financial resilience * Provide $6.0 million for sovereign insurance to protect MSMEs from shocks * Work with the national business registry to establish a database for informal MSMEs eligible for financial support during climatic shocks * Provide technical assistance on the design and procurement of a sovereign insurance backstop, and co-financing of insurance premiums * TA on disaster risk financing including adoption of a National Disaster Risk Finance Policy. | Positive socio-economic impact in that there will be improved MSMEs recovery from disasters and shocks.  Occupational Health and Safety related risks including:   * Injuries which may be related to working at heights, working with hand tools and power tools; * Exposure to hazardous chemicals; * Ergonomics; * Covid-19 infections; * Road accidents. | The ToR for TA and outputs will be developed taking into account the requirements of the ESF.  Compliance with ESS 2 and national labour laws to ensure among others:   * Equitable access to opportunities by all including vulnerable groups; * Provision of safe and healthy working conditions; * Information dissemination on available employment opportunities within the project; * Awareness raising on GRM;   Compliance with health and safety requirements including:   * Conducting risk assessments; * Provision of personal protective equipment/clothing; * Provision of training on safe working procedures. |

Table 7: Potential Risks for Component 2 Activities

| Component Activity | Potential Risks | Mitigation |
| --- | --- | --- |
| 2.1 Establishing an Entrepreneurship Hub and Seed Financing Facility   * Support to establish a sustainable Entrepreneurship Hub within the new Tourism Information and Crafts Center building including: * Upskilling and certification of entrepreneurship support organizations (ESOs); * Competitive funding for ESO run incubation programs that incubate up to 500 innovative SMEs/startups; * Facilitation for the integration of the Lesotho Startup Community (LSC) within a wider regional entrepreneurship ecosystem and build links to the Basotho Diaspora; * Seed Financing Facility to provide funding for startups/innovative SMEs including investments of $50,000 for 50 startups with entry into an acceleration program run by the fund management; * Follow on investment for 5 startups that demonstrate traction. | **Generation of e-waste**  Purchasing of hardware by entrepreneurs may lead to generation of e-waste over time.  **Gender-based violence**  This is an indirect impact which may arise when women are economically empowered. This may make men feel insecure and subsequently lead to GBV.  **Occupational health and safety** Occupational Health and Safety related risks including:   * Injuries which may be related to working at heights, working with hand tools and power tools; * Exposure to hazardous chemicals; * Ergonomics; * Covid-19 infections; * Road accidents.   Other impacts which may arise from increased flow of funds may include:   * Economic growth and growth of SMMEs; * Employment creation and skills development; * SEA/SH cases in sub-projects; * Waste generation; * Economic empowerment of women and youth. | Implementation of guidelines provided in Waste Management Plan in annexure 8.1.  Implementation of GBV prevention plan.  Compliance with ESS 2 and national labour laws to ensure among others:   * Equitable access to opportunities by all including vulnerable groups; * Provision of safe and healthy working conditions; * Information dissemination on available employment opportunities within the project; * Awareness raising on GRM;   Compliance with health and safety requirements including:   * Conducting risk assessments; * Provision of personal protective equipment/clothing; * Provision of training on safe working procedures. * Monitoring and evaluation in relation to achievement of Project objectives; * Fair recruitment practices and provision of trainings to ensure skills development; * Implementation of SEA/SH Prevention Action Plan; * Implementation of Waste Management Plan attached in annexure 8.1; |
| * 1. Scaling the Lesotho Enterprise Assistance Program (LEAP) for MSMEs * Matching grants to MSMEs for productivity improvements or business expansion. This is an evolution of the current Lesotho Enterprise Assistance Program (LEAP); * Grants for skills development programs developed jointly by the private sector and public or private training providers. Programs would target for technical, supervisory and management skills in export sector or other high potential sectors including digital. Innovative delivery mechanisms such as digital platforms would be encouraged; * Program administration costs including LEAP staff, consultancy contracts to augment LEAP management, program evaluation, and related costs. | Investment projects which may arise as a result of these activities will have to be screened according to the screening checklist which forms part of this ESMF as well as Lesotho Environment Act of 2008.  **Occupational health and safety** Occupational Health and Safety related risks including   * Ergonomics; * Covid-19 infections; * Road accidents.   Other impacts which may arise from increased flow of funds may include:   * Economic growth and growth of SMMEs; * Employment creation and skills development; * SEA/SH cases in sub-projects; * Waste generation; * Economic empowerment of women and youth. | Screening of projects and development of further E&S documentation such as ESMPs where necessary.  Compliance with ESS 2 and national labour laws to ensure among others:   * Equitable access to opportunities by all including vulnerable groups; * Provision of safe and healthy working conditions; * Information dissemination on available employment opportunities within the project; * Awareness raising on GRM;   Compliance with health and safety requirements including:   * Conducting risk assessments; * Provision of personal protective equipment/clothing; * Provision of training on safe working procedures. * Monitoring and evaluation in relation to achievement of Project objectives; * Fair recruitment practices and provision of trainings to ensure skills development; * Implementation of SEA/SH Prevention Action Plan; * Implementation of Waste Management Plan attached in annexure 8.1; |
| * 1. Expanding SME Participation in High Potential Value Chains * For textile and apparel Global Value Chain (GVC), TA program will consist of a multi-year, integrated ILO Sustaining Competitive and Responsible Enterprises (SCORE) program and the International Trade Center (ITC) Global Textile and Clothing (GTEX) program, tailored for Basotho firms, and delivered jointly by both organizations; * Expansion of smallholder horticulture production through a Horticulture Incubation program. Support under this program will finance goods, works, equipment, operating costs, technical assistance, and capacity building to setup a Horticulture Incubator for small farms and agribusiness SMEs and expand horticulture production for export. | There is potential for the following impacts at textile and apparel sector:   * Noise and air pollution; * Generation of solid and liquid waste; * Increase in occupational and traffic accidents; * Community health and safety risks including exposure and spread of Covid-19.   There is potential use of pesticides and fertilizers in horticulture which will potentially result in land, surface, and ground water degradation however this will be an indirect impact as the direct benefit of the project is Horticulture Incubation Program. | * Noise and air pollution prevention measures such as servicing of machinery to reduce noise and emissions; * Development of the project specific waste management procedures in line with the provided waste management plan; * Adherence to traffic laws; * Development of Health and Safety Plans covering risk assessments and safe working procedures   Implementation of Integrated Management Plan  The ToR for TA and outputs will be developed taking into account the requirements of the ESF. |

Table 8: Potential Risks for Component 3 Activities

| Component Activity | Potential Risks | Mitigation |
| --- | --- | --- |
| * This component will provide support for the management and implementation of project-associated activities; * This component will also support capacity building of the PMDU (Prime Minister’s Delivery Unit under the Cabinet Subcommittee on Trade and Investment), given the importance of the PMDU to delivering on the goals of the NSDP II and the related objectives of this project. | * Positive impact as this will incorporate capacity building for E&S risk management implementation and citizen engagement. * Grievances due to unfair recruitment procedures; * Potential SEA/SH cases at workplace or in exchange for employment * Other Occupational health and safety risks including: * Ergonomics; * Covid-19 infections; * Road accidents; * Generation of e-waste;   There is potential for generation of e-waste when ensuring implementation on the G2B systems. | Ensure sufficient budget for implementation of E&S safeguards.  Compliance with ESS 2 and national labour laws to ensure among others:   * Equitable access to opportunities by all including vulnerable groups; * Provision of safe and healthy working conditions; * Information dissemination on available employment opportunities within the project; * Awareness raising on GRM;   Compliance with health and safety requirements including:   * Conducting risk assessments; * Provision of personal protective equipment/clothing; * Provision of training on safe working procedures.   Liaison with relevant stakeholders responsible for waste management is critical in ensuring that facilities for proper e-waste management are provided.  Should appropriate facilities not be available during the project implementation, arrangements should be made for export of project related e-waste.  Implementation of guidelines provided in Waste Management Plan in annexure 8.1. |

# Environmental and Social Screening

The project is still at design stage and the details and location of some of the activities are not yet fully known. Environmental and Social screening of sub-activities that shall be considered for approval under this project shall be guided by screening checklist provided in Annexure 8.2. The checklist is based on Environment Act of 2008, as well as World Bank’s ESF. The checklist is not supposed to replace the framework in section 6 which ensures that all the project components comply with relevant World Bank ESSs and national requirements.

The checklist shows types of projects or activities which shall require an Environmental Impact Assessment or an ESMP as per Environment Act no 10 of 2008, Schedule A. For projects which do not require an EIA, an ESMF should be used as a guideline for impact mitigation during implementation.

The Chapter describes the principles and approach to be followed for selecting, avoiding, minimizing and/or mitigating the adverse environmental and social impacts that are likely to arise as a result of the project. Each of the sub-projects proposed under the project will follow the approach suggested here to achieve the objectives of environmental and social management.

## Key Steps to be Followed

A comprehensive environmental management approach for the project will involve the following key steps and processes:

1. Preliminary Environmental and Social Screening

2. Detailed Environmental and Social Screening

3. Environmental and Social Impact Assessment (if required)

4. Environmental and Social Management Plans

5. Environmental and Social Monitoring (including Audits) and Reporting

### Step 1: Preliminary Environmental and Social Screening

This step will involve an initial desk review of the available information about the project and the sub-project areas. The exercise will help in identifying the significant potential environmental and social impacts and in determining the project specific context and the focus required for carrying out the detailed environmental and social screening exercise. Without narrowing the focus of the detailed field assessments, having this knowledge provides an early sense on the spatial and temporal dimension about the likely issues on-hand.

### Step 2: Detailed Environmental and Social Screening

Detailed screening exercise is the second step in the ESMF screening process. The purpose of environmental and social screening is to get an overview of the nature, scale and magnitude of the issues in order to determine the project feasibility and further if findings permit. It allows for proper scoping of detailed ESIAs/ESMPs that would be subsequently carried out. After identifying key issues, the applicability of the Bank’s Environmental and Social Standards will be established along with Government of Lesotho’s regulatory requirements. Subsequently, boundaries and focus areas for the detailed ESIA/ESMPs along with the use of specific instruments would be determined.

The key sub-steps involved in the screening exercise are outlined below:

i. Ascertain presence of any environmental/social sensitive areas (as detailed in screening checklist) through primary/secondary information.

ii. Confirm applicability of regulation, policies and standards in context of broad sub-project interventions.

iii. Conduct reconnaissance site visits for ground-truthing and incorporate required/additional information in the screening format.

iv. Obtain details about land availability and broad categories of ownership (forest/govt./private)

v. Preparation of a screening report.

The outcome of the screening process will help select and/or prioritize the various investments and where required, start the clearance process in a timely manner. The Bank’s ESS screening usually consist of checking and identifying environmental and social risks, impacts and opportunities and the requisite measures that are applicable within the local context for addressing them. Findings from the screening will be used to determine the ecological as well as social and economic viability of the various sub-projects.

To ensure well targeted field assessment during the screening process, the World Bank’s Environmental and Social Framework (ESF) establishes a set of Guidance Notes that outlines the steps and key data that is to be collected for determining the feasibility of the sub-project from an environmental and social standpoint. The guidance notes provide detailed guidelines for collecting information on environmental, natural, biological, physical and socio-economic conditions without which it becomes cumbersome to determine the likely potential impacts that may result from the project interventions. The process enables proper targeting of issues requiring further technical research and in-depth assessments during the ESIA preparation. Without proper screening, deficient planning and engineering design of sub-projects using unreliable information can result in weak arrangements to conserve critical natural ecosystems and may result in creating adverse environmental and social impacts.

Key outputs of detailed environmental and social screening would include:

* 1. Sub-project’s eligibility for funding in line with the exclusion list;
  2. Determination of all national and local regulations and policies that will apply to the sub-projects;
  3. Preliminary judgment on the sub-project environmental and social category per the country context;
  4. Decision on the environmental and social risks and impacts rating (High, Substantial, Moderate or Low) in line with the Bank’s ESS1 standard, and
  5. Process, timeframe and responsibilities for securing the requisite clearances and permissions per Government of Lesotho and World Bank guidelines.

It is critical at this stage to review the list of applicable legislations, standards, policies and regulations with the project proponent and the World Bank to first diffuse inconsistencies in understanding, and to mobilize assistance both at the national and local levels to facilitate applications process. Based on the screening results, a decision can be made as to whether the sub-projects would require further field assessments and studies. The Guidance note also gives an outline for presenting data with necessary explanation for recording likely environmental and social impacts.

The screening process enhances implementation by screening out or enhancing acceptability of sub-project proposals on the basis of environmental criteria. Apart from the screening of sub-project for proposed inclusion in the project, the results/findings from this exercise would be used to determine the scope of Environmental and Social Impact Assessment requirements.

### Step 3: Environmental and Social Impact Assessment

An ESIA consists of a comprehensive study that involves thorough documentation of existing conditions, and identification of impacts with a comparison of alternative project design options, including “without the project” option. If implemented early, the ESIA can be an excellent preventative tool. Usually, ESIA has three principal objectives: (a) assist decision makers in getting a clear picture of the potential impacts on the overall environmental and social quality; (b) provision of impact prevention and enhancement of benefits and minimization of impacts in the long term, and (c) provide a forum that allows direct input from stakeholders in the design of the project.

An ESIA should have:

* An executive summary concisely discussing significant findings and recommended actions;
* Analysis of legal and institutional framework for the project, within which the environmental and social assessment is carried out, including comparison of Lesotho’s existing environmental and social framework and the ESSs and identification of gaps between them;
* Project description;
* The locations of the subprojects with maps and topographical sheets, including the potential benefits and need for the project, description of options, implementation schedule and the projected costs for the project;
* Characterize the relevant features of the current (“baseline”) state of the receiving environment biological, physical and socio-economic description of the subproject areas and the region, including description of the potential interactions between the intervention and the baseline environment;
* The project/subproject environmental and social risks and impacts as identified in the Bank’s ESS2-8 and 10, particularly impacts and risks both direct and indirect to stakeholders, including any other risks and impacts arising as a consequence of specific nature and context of the project;
* Measures to avoid, mitigate, compensate and monitor any potentially significant adverse impacts and cost of management measures in an Environmental and Social Management Plan;
* Analysis of alternatives with particular reference to location of project and the applicable engineering technologies;
* Summarize significant concerns and recommend needed actions to address such concerns;
* Design measures, which sets out the basis for selecting the particular project design proposed and the applicable EHSGs. Where EHSGs are inapplicable, justification for recommended emission levels and approaches to pollution prevention and abatement that are consistent with GIIP;
* Summary of key measures and actions and the timeframe required for the project to meet the requirements of the ESSs;
* Conclusion – stating that either (a) the ESIA/ESMP is the completed environmental assessment for the intervention or (b) further assessment work is required and will be incorporated in a revised ESIA. For example, a subproject that would need a follow-up biodiversity assessment to track changes will be stated in the ESIA;
* Disclosure of the ESIA in line with Lesotho’s and the World Bank’s requirements.
* The following is the recommended table of contents of an ESIA:
  + Executive summary
  + Policy, legal and institutional framework
  + Project description
  + Status of the environment (baseline data)
  + Environmental impacts
  + Analysis of alternatives
  + Additional studies (if applicable)
  + Project Benefits
  + Environmental Management Plan
  + Stakeholder consultations
  + Summary and recommendations
  + Annexes.

The above model outline does not explicitly provide section/subsection headings for many of ESIA activities. Therefore, the ESIA consultants will create their own customized outline from this model that provides sections/subsections for ESIA activity undertaken for the sub-project under consideration.

### Step 4: Preparation of Environmental and Social Management Plan (ESMP)

ESMP is the next step in the ESA process after identifying potential impacts. It involves the identification and development of measures aimed at avoiding, mitigating, offsetting and/or reducing impacts to levels that are environmentally and socially acceptable during implementation and operation of the proposed Health Strengthening Systems project. ESMPs provide an essential link between the impacts predicted and mitigation measures specified within the ESIA and implementation and operation activities.

Certain activities/interventions will have an impact on the natural environment, the scale of which would depend on the existing baseline conditions along the project zones of impacts and thus would require a specific plan to institute and monitor mitigation measures and take desired actions in a timely manner. An ESMP must be sub-project specific, clearly describing adverse impacts and mitigation actions to be taken. The magnitude and temporal scale of the various subprojects will determine the contents/coverage of the ESMP. Depending on extent of issues that are to be avoided, minimized and/or mitigated, the ESMP will have concrete/specific mitigation actions, timelines and responsible persons.

For each subproject activity, an ESMP should address the following:

* Mitigation, enhancement, protection and compensation measures for each phase including design pre-construction, construction, operation and maintenance;
* Mitigation performance monitoring (i.e., monitoring the operation and maintenance of mitigation measures and their targeted impacts);
* Stakeholder participation arrangements by project development phase;
* Disaster management contingency plan where applicable especially in areas with potential flooding, earthquake zones;
* Capacity development and training requirements, including institutional arrangements for implementation, monitoring and reporting;
* Cost estimates for all ESMP activities;
* Integration of the ESMP with the project’s overall planning, designing, budget and implementation, and
* Standard construction environmental safeguards clauses for engineering and civil works.

In developing the ESMP, the Consultant will consider findings from the stakeholder/public consultation process, including suggestions from PMU and PAPs (to include vulnerable people).

**Proposed elements of an ESMP**

***Project Description***

This section shall provide a detailed description of project activities as well as description of location covering its geographic, environmental, social, and temporal context. Description of location shall include a map with adequate detail, showing the project site and the area that may be affected by the project. The description should also include any offsite investments that may be required such as dedicated pipelines, access roads, power supply, water supply, housing, and raw material and product storage facilities as well as the project’s primary suppliers.

***Identification of Risks and Impacts and Description of Mitigation Measures:***

Under this section, the ESMP will describe the identified impacts that may result from the project interventions. With reference to each impact, it will describe feasible and cost-effective measures to minimize impacts to acceptable levels. This section will also provide details on the conditions under which the mitigation measures will be implemented whether as a routine or in the event of contingencies. The ESMP will also distinguish between type of solution proposed and the phase in which it should become operable.

***Enhancement Plans:***

Positive impacts or opportunities arising out of the project will be identified during the ESIA process. Some of these opportunities can be further developed to draw environmental and social benefits to local communities within the project zone of impact. The ESMP will identify such opportunities and develop a plan to systematically harness any such benefit.

***Monitoring Plan:***

In order to ensure that the proposed mitigation measures have the intended results and comply with national and World Bank requirements, an environmental and social performance monitoring program will be included in the ESMP with the following suggested details:

* Monitoring indicators to be measured for evaluating the performance of each mitigation measure.
* Monitoring mechanisms and methodologies
* Monitoring frequency
* Monitoring locations
* Expected cost of monitoring
* Responsibility.

***Institutional Arrangements:*** Institutions/parties responsible for implementing mitigation measures and for monitoring their performances will be clearly identified along with any legal instruments that define their obligations. Where necessary, mechanisms for institutional co-ordination will be identified as monitoring tends to involve more than one institution.

***Implementation Schedules:*** Timing, frequency and duration of mitigation measures with links to overall implementation schedule of the project will be specified.

***Reporting Procedures*:** Feedback mechanisms to inform the relevant parties on the progress and effectiveness of the mitigation measures and monitoring will be specified. Guidelines on the type of information wanted and the presentation of feedback information will also be highlighted.

***Cost Estimation:*** Implementation of mitigation measures presented in the ESMP will involve an initial investment cost as well as recurrent costs. The ESMP should include costs estimates for each measure and also identify sources of funding.

**Consultation and Disclosure Requirements**

Consultation with stakeholders including project affected people, subject-matter experts and NGOs in preparing the ESIA/ESMPs is critical. For all sub-projects, project-affected groups and local nongovernmental organizations (NGOs) as well as other interested parties shall be consulted about the project’s environmental and social aspects and take their views into consideration in the design of the project and the E&S Assessments. The disclosure of documents shall be as per requirements of Lesotho and World Bank procedures.

**Integration of ESMP into Bidding Documents**

Relevant sections of the construction stage of the project/subproject will be integrated into sub-projects Bid Documents. Contract documents will need to be incorporated with clauses directly linked to the implementation of environmental and social risks and impacts management measures. Mechanisms such as linking the payment schedules to implementation of the said clauses need to be explored and implemented, as appropriate.

# Environmetal and Social Management Instiutional arrangements

The section also describes institutional arrangements for the implementation of the ESMF and preparation of the ESIAs/ESMPs, specifying the roles and responsibilities of the agencies and all actors involved in the implementation. Capacities of the governmental and local implementing agencies involved in the implementation of the ESMF have been evaluated. Limited capacity of MTI in handling ESF requirements, including in relation to requirements on establishing and maintaining a functioning project-level GRM has been identified as one of risks of the project. Measures for institutional strengthening and/or technical capacity building different actors has been proposed.

## Responsibilities

### Project Management unit (pmu)

The PMU (within MTI) is responsible for supporting management and implementation of project associated activities. Amongst others the PMU is responsible for:

* Project coordination – engagement with all project stakeholders;
* Provision of training and capacity building;
* Management of E&S risks and impacts associated with the Project
* Ensuring that participating farms continue to be GLOBAL G.A.P certified;
* Monitoring and evaluation.

In order to ensure implementation of the ESMF, PMU shall ensure that all project beneficiaries and responsible government line ministries are aware of ESMF requirements and are capacitated for implementation of those requirements. This shall include:

* Capacity building for relevant government departments such as the Department of Environment
* Monitoring/auditing project activities to ensure compliance with the ESMF;
* Assigning personnel or a specialist who will monitor compliance of sub-projects with ESMF requirements.

### Relevant Governments Departments and Authorities

Table 9: Roles of Government Department and Authorities

| **Organization** | **Mandate** | **Roles** |
| --- | --- | --- |
| **Ministry of Trade and Industry** | According to Government of Lesotho (2018), the mission of MTI is “to create and maintain a more equitable and enabling environment for industrial, agri-business and commercial development” | Ensuring that project beneficiaries comply with environmental and social requirements and that there are facilities that necessitate compliance. |
| **Department of Small Business Development** | Development of policies conducive to promotion of entrepreneurial skills and transfer of appropriate technology and application of cutting edge technology and through smart partnership of the public and private sectors. (<http://www.marketinginfo.gov.ls/Mis-portal/about>) | Ensuring that MSMEs are capacitated in environmental and social sustainability working together with PMU. |
| **Department of Environment (DoE)** | DoE is mandated to implement Environment Act of 2008. The department is also responsible for implementing international environmental conventions and treaties to which Lesotho is signatory. | Review of EIA reports and Environmental and Social Management Plans for sub-activities which will require them.  Adhoc inspections for physical project sub-activities to ensure compliance with Environment Act 2008. |
| **Department of Labour** | According Ministry of Labour, the Department of Labour is mandate “to provide strategic direction, leadership, legal and administrative support services to the ministry and the departments including Ntlafatso Skills Training Centre.” Labour.gov.ls. (2022).  Amongst others, the Department conducts inspections to ensure that employers comply with national labour laws. The department also has occupational health and safety unit which investigates workplace injuries and diseases and ensures compliance with safety and health provisions in the labour law. | The Department of Labour shall be responsible for monitoring compliance of relevant project sub-activities with Lesotho Labour laws. Project activities should also comply with labour management procedures contained in this ESMF. |
| **Ministry of Agriculture and Food Security** | The ministry is committed to provision of dynamic and pro-active leadership in participatory development and implementation of policies and programs with farmers, provision of expert advisory agricultural services to the farming community and agro-businesses leading to sustainable agriculture for the achievement of food security. | The ministry shall provide beneficiaries with guidance on crop production. The ministry shall also work hand in hand with PMU and the Department of Environment in relation to necessary environmental and social requirements that horticulture farmers need to comply with. |

### Beneficiaries

Sub-projects shall be responsible for ensure implementation of E&S requirements relevant to their sub-projects. Each beneficiary shall possess the ESMF and develop all the relevant E&S documentation and procedures required by the ESMF.

The key stakeholders to be continuously engaged includes all those listed in Table 10 and the list is not exhaustive. Stakeholders have been classified as Affected Party (AP), Other Interested and Affected Parties (OIP) and Vulnerable Individuals or Groups (VIG). A Stakeholder Engagement Plan which provides identified Project stakeholders, their specific information needs, and the appropriate modes of consultation as well as feedback mechanisms has been developed. This is a living document which shall be updated when need arises during the Project Implementation.

Table 10: Stakeholders identified per sub-component and their categorization

| Component | Sub-component | Stakeholder | Category (AP/OIP/VIG) |
| --- | --- | --- | --- |
| 1.Business Enabling Environment, Investment Attraction and Private Sector Resilience | 1.1 Enhancing Government to Business (G2B) Digital Services | * Ministry of Trade and Industry; * Maseru City Council (MCC); * Lesotho Revenue Authority (LRA); * Ministry of Finance; * One Stop Business Facilitation Center (OBFC); * Ministry of Public Works and Transport; * MSMEs. | **OIP**  **OIP**  **OIP**  **OIP**  **OIP**  **OIP**  **AP** |
| 1.2 Improving Access to Financial Services | * Ministry of Finance; * Lesotho Revenue Authority (LRA); * Ministry of Trade and Industry * Ministry of Small Business Development and Cooperatives * Central Bank and Local Banks; * MSMEs | **OIP**  **OIP**  **OIP**  **OIP**  **OIP**  **AP** |
| 1.3 Strengthening the Resilience of MSMEs to Disasters and Shocks | * Ministry of Finance; * Lesotho Revenue Authority (LRA); * Central Bank of Lesotho (CBL); * Ministry of Trade and Industry * Ministry of Small Business Development and Cooperatives; * Global Disaster Risk Facility (GRiF); * MSMEs. | **OIP**  **OIP**  **OIP**  **OIP**  **OIP**  **OIP**  **AP** |
| Scaling Support for Entrepreneurship and MSMEs | 2.1. Establishing an Entrepreneurship Hub and Seed Financing Facility | * Basotho Enterprise Development Corporation (BEDCO); * Ministry of Small Business Development, Cooperatives and Marketing * Ministry of Tourism, Environment and Culture (MTEC); * Lesotho Start-Up Network (LSN); * Business trainers; * MSMEs | **OIP**  **OIP**  **OIP**  **AP**  **AP**  **AP** |
| 2.2 Scaling the Lesotho Enterprise Assistance Program (LEAP) for MSMEs | * Ministry of Small Business Development; * Basotho Enterprise Development Corporation; * Department of Labour; * MSMEs. * MSMEs led by women and youth | **OIP**  **OIP**  **OIP**  **AP**  **AP** |
| 2.3 Expanding SME Participation in High Potential Value Chains | * Lesotho National Development Corporation; * Department of Labour; * National University of Lesotho; * Stellenbosch University; * SMEs * Local communities | **OIP**  **OIP**  **OIP**  **OIP**  **AP**  **AP and VIG** |
| Project Management Unit Support | Support for the management and implementation of project-associated activities. | * World Bank * Ministry of Trade and Industry * Prime Minister’s Office; * GBV service Providers e.g She Hive and Gender Links; * Ministry of Development Planning (MoDP) * Ministry of Local Government and Chieftainship; * Lesotho Mounted Police Services * Ministry of Gender, Youth, Sports and Recreation (MGYSR); * Organizations working with vulnerable groups such as People living with Disabilities (PLWD) and women and youth; * Local communities representatives (community leaders); * Representatives other vulnerable groups (Orphans; Children from households below poverty line, Female-led informal businesses) * Media. | **OIP**  **OIP**  **OIP**  **OIP and VIG representatives**  **OIP**  **OIP**  **OIP**  **OIP**  **AP**  **VIG**  **AP and VIG representatives**  **VIG representatives**  **OIP** |

## Stakeholder Consultation

A Stakeholder Engagement Plan (SEP) which includes a Grievance Redress Mechanism has been prepared for the project in accordance with ESS 10 (Stakeholder Engagement and Information Disclosure). Stakeholder Engagement Plan describes the time and methods of engagement with stakeholders throughout the project life cycle. The purpose of SEP is to provide consultation and disclosure methods to be implemented during the implementation of the project. The GRM is meant to receive complaints and facilitate their resolution.

It is important to note that the ESMF shall be disclosed such that is available to the public. It shall be disclosed on PMU website, the Bank’s website and other relevant line ministries’ websites as well as the national library.

### Stakeholder Consultations for the purpose of E&S Documentation

Stakeholder consultations on Environmental, Social and Health and Safety risks of the project were held from the 13th of January 2022 to the 26th of January 2022. These consultations were mostly carried out through physical meetings while some consultations were made virtual upon stakeholder requests. There were further meetings with PMU and World Bank in which the project components were discussed in detail in order to guide the development of E&S safeguard documentation. The following stakeholders were consulted:

* Department of Trade;
* Ministry of Tourism Environment and Culture (MTEC):
  + Department of Environment;
  + Department of Tourism;
  + Department of Culture;
* Ministry of Agriculture Food and Security (MoAFS) - Crop Production;
* Department Small Business Development;
* Lesotho National Development Corporation (LNDC);
* Lesotho Tourism Development Corporation (LTDC);
* Basotho Enterprise Development Corporation (BEDCO);
* Lesotho Revenue Authority (LRA);
* Maseru City Council (MCC);
* Lesotho Start-up Network (LSN);
* Likhothola Fruit Farm;
* Maoa-mafumelu Fruits Farm;
* Likhetlane Fruits Farm.

Detailed Feedback from stakeholder consultations has been provided in annexure 10.1 and the following were key issues raised:

* Market access facilitation as well as product development are key in ensuring economic growth. Creation of linkages between different scale entrepreneurs is therefore key;
* It is important to ensure environmental sustainability in product development;
* It is important for the project to prioritize sectors which are prioritized in National Strategic Development Plan (NSDP) II;
* CAFI project is expected to contribute positively to National Trade Policy;
* Global GAP was effective in ensuring that horticulture projects in PSCED II meet the necessary health and safety requirements;
* Participation of local authorities in the previous horticulture projects under PSCED II enabled effective community participation;
* One of the lessons learned from PSCED II is the importance of ensuring that social benefits of the project are attained such that the community members are not left in a worse state;
* It is important to monitor the importance of E&S safeguards implementation;
* Product diversification in crafts facilitated exports. It is however important to increase capacity of production in order to strengthen the value chain;
* Most of the line ministries do not have the capacity in terms of personnel to implement or supervise implementation of E&S requirements. In most cases E&S personnel are only engaged for projects that are internationally financed;
* The national labour law may need to be reviewed in order to clearly incorporate rates for agricultural workers;
* There has to be clear standards on water extraction in order to prevent farmers from extracting water from sensitive areas such as wetlands. It also has been observed that access to water for agriculture projects is a challenge;
* The existing manufacturing infrastructure usually does not have facilities that easily enable environmental compliance such as waste management facilities at factory shells.

### Stakeholder Engagement Techniques

As set out in ESS 10, the PMU will continue to engage with, and provide sufficient information to stakeholders throughout the life cycle of the project, in a manner appropriate to the nature of their interests and the potential environmental and social risks and impacts of the project.

**Information elicited from them:** The type of information to be disclosed to the various stakeholders depends on their interests and how they will be affected by the Project – or how Project activities may be affected by them. Thereafter various communication tools can be utilized for the engagement process, such as:

* Programme notices published in local newspapers.
* Radio advertisements.
* Direct mailings to communities.
* Presentations with or without focus group sessions);
* Targeted e-mails.
* One-on-one meetings, presentations, seminars, workshops, e-mails, and phone conversations with stakeholders.
* Site tours; and
* Social media.

Stakeholder engagement techniques that may be used are provided in table 11.

Table 11: Stakeholder engagement techniques and their appropriate application

| **CONSULTATION TECHNIQUE** | **APPROPRIATE APPLICATION OF THE TECHNIQUE** |
| --- | --- |
| Correspondence (Phone, Emails) | * Distribute information to Government officials, NGOs, Local Government, and organisations/agencies; * Invite stakeholders to meetings and follow-up. |
| One-on-one meetings | * Seeking views and opinions; * Enable stakeholder to speak freely about sensitive issues; * Build personal relationships; * Record meetings. |
| Formal meetings | * Present the Project information to a group of stakeholders; * Allow group to comment – opinions and views; * Build impersonal relation with high level stakeholders; * Disseminate technical information; * Record discussions. |
| Public meetings | * Present Project information to a large group of stakeholders, especially communities; * Allow the group to provide their views and opinions; * Build relationship with the communities, especially those impacted; * Distribute non-technical information; * Facilitate meetings with presentations, PowerPoint, posters etc.; * Record discussions, comments, questions. |
| Focus group meetings | * Present Project information to a group of stakeholders (8-15 people groups); * Allow stakeholders to provide their views on targeted baseline information; * Build relationships with communities; * Record responses; * To gather the views of vulnerable groups who may be excluded from other forms of engagement. |
| Project website | * Present project information and progress updates; * Disclose GRM and other relevant project documentation. |
| Project leaflet | * Brief project information to provide regular update; * Site specific project information. |
| Surveys | * Gathering opinions and views from individual stakeholders; * Gather baseline data; * Record data; * Develop a baseline database for monitoring impacts. |
| Workshops | * Present project information to a group of stakeholders; * Allow a group of stakeholders to provide their views and opinions; * Use participatory exercises to facilitate group discussions, brainstorm issues, analyse information, and develop recommendations and strategies; * Record responses. |

### Stakeholder Consultation Under Pandemic Conditions

Under pandemic conditions the techniques that will be employed for the continuous consultation process for this project will be the same as under normal situation only that face-to-face engagements will be limited; site visits will also be limited and more electronic communication will be used. The strategy will include the following:

* Limited site visits;
* Limited face to face interviews;
* Selecting key stakeholders and using them as the representative sample;
* Limited physical completion of questionnaires;
* Limited focus group meetings;
* More of Virtual Meetings (Zoom, Microsoft Teams, Skype, etc.);
* More of electronic administration of questionnaires.

The consultation process will be continuous throughout the life of the project and will be used as a means of checks and balances for the proper implementation of the project. Thus, the process will employ a technically and culturally appropriate approach which involves identifying the concerned/affected stakeholders, soliciting their views, and continuously checking if their views are being taken care of as the project implementation progresses.

## ESMF Implementation Budget

Costing of ESMF implementation has been allocated according to implementation items provided in table 12. Cost Items include capacity building for PMU and line ministries, training and awareness raising for beneficiaries communities and project workers as well as supervision and monitoring costs.

Table 12: Estimated Budget for ESMF Implementation

| ESMF Implementation Activities | Estimated Budget in US$ |
| --- | --- |
| Training and workshops for PMU and Line Ministries | 40 000 |
| Training of beneficiaries and communities | 130 000 |
| Occupational health and safety training or project workers | 130 000 |
| Supervision, monitoring and auditing (travel, communication and professional fees) | 170 000 |
| Capacity building for DoE (additional personnel) | 90 000 |
| Development of ESMPs and other Safety, Health and Environment documentation required by the ESMF | 155 00 |
| Total | **715 000** |

## **ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK/MONITORING**

Presented in table 13 and 14 are ESMF monitoring frameworks for identified Health and Safety, and Social issues as well as biophysical environment issues (table 14). It is important note the importance of applying the relevant Bank’s EHSGs in developing project specific mitigation measures.

Table 13: ESMF Monitoring Indicators and Responsibilities - Health and Safety and Social

| **Issue** | **Potential impacts** | **Action/ mitigation measure** | **Responsibility** | **Implementation tool** | **Monitoring Indicators (Input)** | **Monitoring Indicators (Input)** | **Verification** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Labour | Labour recruitment | Liaison with local authorities when recruiting local labour. | Beneficiaries | Labour Management Plan (Annexure 8.3)  Stakeholder engagement plan | Labour recruitment plan in place | Percentage of local labour engaged in sub-projects | Quarterly checks by PMU |
| Child labour | Child labour is strictly prohibited | Beneficiaries | Labour Management Plan | Demographic data of personnel engaged in sub-projects | No cases of child labour | Spot checks by PMU |
|  | GBV/SEA/SH | Implementation of GBV prevention plan. | Beneficiaries | GBV prevention plan | Procedures on implementation of GBV prevention plan | * GBV service provider engaged for the project; * Percentage of project workers who have signed CoC; * Number of workers who have been trained on GBV/SEA/SH issues. | Periodic reports by beneficiaries |
| Working conditions | Provision of acceptable working conditions including:  Appropriate staff housing where necessary, Personal Protective Equipment (PPE) and working hours. | Beneficiaries | Labour Management Plan  ILO better work (for manufacturers) | Policies and procedures on acceptable working conditions | Appropriate working conditions including staff housing, Personal Protective Equipment (PPE) and working hours. | Spot checks by PMU and Department of Labour |
|  | Wages | Adherence to Lesotho Labour Code Order stipulations | Beneficiaries | Lesotho Labour Code Order | Clearly defined structure of wages | No workers being paid below minimum wages. | Quarterly checks by PMU and Department of Labour  Periodic reports by beneficiaries |
| Occupational health and safety | Water and sanitation | Provision of safe drinking water for personnel;  Provision of adequate (1 ablution to maximum of 15 workers) sanitation facilities for male and female with hand washing stations. | Beneficiaries | Health and Safety Plan | Health and safety plan including sanitation plan developed | Safe drinking water and adequate and appropriate ablution facilities provided | Spot checks by PMU |
| PPE | Provision of appropriate PPE for personnel | Beneficiaries | Health and Safety Plan and Labour Code Order | PPE register | All workers provided with appropriate PPE | Spot checks by PMU and Department of Labour |
| HIV/AIDS | Development and implementation of TIP and HIV/AIDS awareness and prevention plan | Beneficiaries | Labour Management Plan  TIP and HIV/AIDS awareness and prevention plan | TIP and HIV/AIDS awareness and prevention plan developed | Number of trainings on HIV/AIDS as well as number of testing and counselling services provided. | Spot checks by PMU  Periodic reports by beneficiaries |
| COVID-19 | Development of Covid-19 prevention plan which shall include infection control. | Beneficiaries | Labour Management Plan  Covid-19 prevention plan | Covid-19 prevention plan development | Low incidents of Covid-19 cases at sub-projects. | Monthly reports by beneficiaries. |
|  | Health and safety incidents | Development of safe work procedures.  Training on among others use of agro-chemicals, fire-fighting and first aid. | Beneficiaries | Beneficiary’s health and safety plan | Safe work procedures in place | Minimal OHS incidents | Periodic reports by beneficiaries  Quarterly checks by PMU |
| Land administration | Access to land | Formalization of land ownership | Beneficiaries  and LAA | Lesotho Land Act of 2010 | Beneficiaries sensitized of formalization of land ownership processes | Beneficiaries in possession of leases and sub-leases. | Conditions of project approval processes by PMU |
| Impact on private properties | Avoidance of impact on private properties.  Compensation where avoidance is not feasible | Beneficiaries and PMU | ESMP | Properties which may be affected identified and documented. | Lack of complaints in relation to impact on properties. | Beneficiaries periodic reports |
| Public health | Exposure to agro-chemicals | Implementation of Global GAP practices and preventing public access to project sites during application of pesticides. | Beneficiaries | ESMP and Global GAP manuals | Documented procedures on safe application of agro-chemicals. | Public warning signs and measures in place. | Beneficiaries records  Periodic checks by PMU |

Table 14: ESMF Monitoring – Biophysical Environment

| Issue | Potential impacts | Action/ mitigation measure | Responsibility | Implementation tool | Monitoring Indicators (Input) | Monitoring Indicators (Input) | Verification |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Water | Water contamination | Water pollution prevention measures such as spill prevention and control plan;  Correct use, storage and disposal of agro-chemicals to avoid potential eutrophication of water resources. | Beneficiaries | ESMP[[5]](#footnote-5) | Spill prevention and control plan | Water quality of water resources preserved  Periodic water quality monitoring reports | Periodic checks by Department of Water Affairs  Periodic reports by beneficiaries  Spot checks by PMU |
| Depletion of water resources | Identification and use of alternative sources;  Maintaining instream flow requirements (IFR) in cases where water is sourced from a river, | Beneficiaries | ESMP | Source monitoring reports | IFR of impacted streams maintained,  Springs yields not impacted | Periodic checks by Department of Water Affairs  Periodic reports by beneficiaries |
| Air quality | Dust and noise | Dust control measures such as spraying of water during high dust generating activities;  Noise minimization including maintaining of motorized equipment. | Beneficiaries | ESMP | Documented dust control and noise control procedures. | Acceptable dust and noise levels | Spot checks by PMU |
|  | Emissions | Maintaining of motorized machinery to minimize emissions;  Installation environmentally sustainable machinery at manufacturing facilities. | Beneficiaries | ESMP | Documented emissions prevention and control measures. | Minimal emissions which do not compromise air quality standards | Spot checks by PMU |
| Soil | Soil contamination | Development and implementation of spill prevention and response plan | Beneficiaries | ESMP | Spill prevention and response plan in place | No soil contamination | Periodic and spot checks by PMU |
| Soil erosion | Development of site specific erosion control measures including land tilting procedures. | Beneficiaries | ESMP | Sub-project erosion control procedures developed. | No erosion scars at sub-project sites. | Periodic checks by PMU |
| Waste | General waste generation | Waste minimization, segregation, collection and recycling strategies. | Beneficiaries | Waste management plan | Project specific waste management procedures developed where necessary | No waste nuisance on project sites | Periodic reports by relevant beneficiaries |
| Hazardous waste generation | Development and implementation of hazardous waste management procedures | Beneficiaries | Waste management plan | Hazardous waste management plan in place where applicable | Appropriate storage, transportation and disposal of hazardous waste | Periodic checks by PMU  Periodic reports by beneficiaries |
| E-waste generation | Development of e-waste management procedures where applicable. | Beneficiaries | Waste Management plan | E-waste management procedures developed where applicable. | Appropriate storage, transportation and disposal of e-waste. | Periodic reports by beneficiaries  Periodic checks by PMU |
| Biodiversity | Vegetation clearance | Clearance only where necessary and relocation of endangered species where applicable | Beneficiaries | ESMP | Method statements for vegetation clearance | Vegetation cover maintained  Disturbed areas rehabilitated | Periodic checks by PMU |

## Capacity Building and Training

There is a need for capacity building and training to ease implementation of environmental and social requirements for the project. The requirements are for management of potential environmental and social impacts as well as risks. This section entails of trainings for PMU and other stakeholders necessary to manage environmental and social impacts and risks.

**Project Management Unit**

The PMU shall be capacitated so as to oversee the implementation of the E&S instruments. Capacity building shall include training on the requirements of the E&S instruments as well as appointing an E&S safeguards specialist. The role of the E&S safeguards specialist shall be to manage the environmental and social aspects of the Lesotho Competitiveness and Financial Inclusion Project and the tasks shall include:

* Screening sub-projects according to the screening checklist provided in this ESMF and ensuring that further assessments and documentation such EIAs and ESMPs which may be required are in place;
* Ensuring that all sub-projects comply with the requirements of the ESF;
* Guiding relevant stakeholders including beneficiaries on E&S requirements;
* Monitoring and auditing sub-projects’ compliance with E&S requirements.

**Department of Environment**

The Department of Environment as one of the key stakeholders in implementation of the ESMF will have to be trained on E&S documentation. This will assist in ensuring that DoE personnel have thorough understanding of E&S documentation as well as their role in implementation. There may also be a need for additional personnel responsible for reviewing EIAs and ESMPs. The Department currently has limited number of staff members responsible for the review of EIA reports for the whole country. This has an impact on the construction permitting system as there is sometimes a delay in issuance of environmental clearances for planned construction projects.

**Line ministries**

Relevant line ministries which will directly or indirectly benefit from the project will have to be provided with training on the contents of E&S documentation. The training shall ensure that each line ministry understands its roles and responsibilities in the implementation of the project and in the implementation of E&S documentation.

**Project Beneficiaries**

It will be important for project beneficiaries to be trained on relevant E&S requirements as per the E&S documentation and legislation. There will therefore be a need to engage with entities who can supply entrepreneurs who will participate in the project with E&S training. There may also be a need for engagement of environment, social, health and safety personnel for projects which may require physical construction works such as refurbishment of the proposed skills center facility in Mahobong.

**Community Training**

There is need for appropriate training and awareness raising for communities who will play a role in project implementation or be affected by the project. Host communities training and awareness raising sessions shall include the following topics:

* Grievance Redress Mechanism;
* GBV/SEA/SH; and
* HIV/AIDS and TIP awareness.

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# Annexures

## Waste Management Plan

Waste generation should always be avoided. However, where not possible, waste minimization, reuse, recycling and recovery should be in place in a manner that is safe for both human health and the environment. According to the World Bank, 2017 in cases where waste reuse, recycling or recovery are not possible waste should be treated, destroyed and disposed in an environmentally sound and safe manner.

The table 13 represents waste management plan for the project. As a result of economic growth and migration to urban areas, there has been a rapid increase in per capita generation of waste which is likely to affect the daily health, productivity, and cleanliness of communities. Therefore, this Waste Management Plan offers a systemic approach to management of waste streams relevant to this project in order to achieve sustainability and a circular economy.

Each relevant sub project will be required to develop waste management procedures which will comply with Lesotho Environmental Laws and the Global GAP (Good Agricultural Practices) in the case of Horticulture as well as other GIIP. Waste management procedures to be developed for each relevant sub-project should include the following:

* Types of waste generated;
* Waste minimization procedures;
* Estimated quantities;
* Segregation and storage procedures and facilities;
* Reuse and recycling;
* Disposal procedures.

Table 15: Waste management plan for selected components sub-activities

| **WASTE MANAGEMENT PLAN** | | | | |
| --- | --- | --- | --- | --- |
| **MANUFACTURING AND TEXTILES INDUSTRY** | | | | |
| **Waste Category** | **Examples** | **Temporary storage of waste** | **Special Instructions or activities** | **Mode of disposal** |
| Dry waste/General waste | - Packaging materials  - Fibre waste/scraps  - Plastics  - Trims/0ffcuts  - Thread  - Paper/ Paperboard | -There should be provision an interim storage where material recovery, reuse and recycling can also be made at;  -There should be provision of well labelled waste containers; | - There should be prioritization of the following waste management factors: avoidance, minimization, reuse, recycling, recovery and lastly disposal;  - Waste Segregation such that dry waste does not get mixed with wet or hazardous waste. | - Pickup truck to an authorized dumping site or landfill. |
| Wet/Liquid waste | - Waste water and sludge | - Secure container or lagoon;  - Dewatered sludge can be stored in sealed containers of stockpiled; | Sludge can be dewatered and dried afterwards before being taken to an authorized dumping site or landfill. | Sewage should be connected to the already existing sewerage system.  - Dried sludge must be collected by pickup trucks to the landfill/authorized dumping site. |
| Hazardous waste | - Formaldehyde  - Heavy metals (Copper) in dyes  - Chlorine and sulphide from bleaching  - Dye containers  - Oil and grease from machinery  -Toners | - Store in containers, tanks, containment buildings, drip pads, waste piles, or surface impoundments | - Prevent any leakage to the ground and protect the containers from weather degradation; | - Installation of pre-treatment plant for effluent with chemical contamination;  - Engage certified hazardous waste companies for transportation and safe disposal of hazardous waste |
| E-waste | - Electronic machinery including, machines used for knitting, dyeing finishing and other activities. | - E-waste prior to their treatment should be stored in weatherproof covering for appropriate areas. | - E-waste generated in the country must be directed towards authorized dismantlers and recyclers. | - E-waste must be exported since there are currently no e-waste recycling companies in Lesotho |
| HORTICULTURE AND COMMERTIAL AGRICULTURE | | | | |
| Waste Category | **Examples** | **Storage of waste** | **Special Instructions or activities** | **Mode of disposal** |
| General waste | - Waste from pruning  - Grass Cutting  - Crop residues  - Husks  - Manure (organic fertilizers)  - litter | - A durable and robust bag or green bin  - Stock pile husks and other organic waste in order to form compost;  -Waste bins for litter | - Organic waste materials must not be brought off site to compost with onsite waste  - All the waste must be pesticide free | - Pickup truck to the chosen landfill or authorized dumping site |
| Hazardous waste | -Agro-chemicals and their containers | - Provision of hazardous store for chemical waste. | - Grass buffer strips can be used to hold and filter runoff;  - Pesticides must be stored separately from other forms wastes. | - Supplier to collect waste pesticides and containers |

## Environmental and Social Screening Form/Checklist

The Environmental and Social Screening Form/ Checklist shall be used for identification and review of environmental and social impacts of the sub-projects and requirements for E&S assessments. Table 16 shows types of projects or activities which shall require an Environmental Impact Assessment as per Environment Act no 10 of 2008, Schedule A.

Table 16: Environmental and Social Screening form/checklist

| **The types of projects or activities which will require an Environmental Impact Assessment:** | **Answer** | | | **Identify relevant ESSs** |
| --- | --- | --- | --- | --- |
| **Yes** | **No** | **Remarks** |
| Project activities lead to changes in land use, physical or economic displacement or loss of access to land or natural resources? |  |  | If yes, project to be excluded |  |
| Has transportation which uses major roads and roads in scenic, wooded or mountainous areas. |  |  |  |  |
| Makes use of water resources such as dams, rivers, reservoirs. |  |  |  |  |
| The project activities may impact water resources such as ground water, springs and wells. This include water reticulation systems and pipelines. |  |  | If yes, conduct an EIA or develop ESMP;  If no, follow ESMF |  |
| Aerial Spraying. |  |  |  |
| Large scale agriculture involving use of agro-chemicals or new pesticides |  |  |  |
| Agriculture activities including manufacture, handling, storage and transport of hazardous waste, chemicals and pesticides and other agro chemicals. |  |  | If yes, conduct an EIA or develop ESMP;  If no, follow ESMF |  |
| Release of any organism outside its natural area of distribution that is to be used for biological pest control |  |  |  |
| Processing and manufacturing plants for the manufacture of textiles |  |  |  |
| Industries emitting major atmospheric pollutants |  |  | Project may be rejected |  |
| Project activities that could affect national heritage sites, archeological and paleontological sites, graves and burial sites. |  |  | Project may be rejected |  |
| Result in human health or safety risks during construction phase or later? |  |  | If yes, develop ESMP;  If no, follow ESMF |  |
| Increase tension/ conflict or disputes among or within stakeholders? |  |  | If yes, develop ESMP;  If no, follow ESMF |  |
| Require land for its development, and therefore displace individuals, families or businesses from land that is currently occupied, or restrict people’s access to crops, pasture, fisheries, forests or cultural resources, whether on a permanent or temporary basis? |  |  | Project may be rejected |  |
| Adversely affect the livelihoods and /or the rights of vulnerable groups? |  |  | If yes, develop ESMP;  If no, follow ESMF |  |

**Exclusion list:**

This serves as a criteria to be used to identify sub-projects which should not be approved under this project due their likely significant environmental or social impact. The following should be excluded:

* Sub-project activities that would be classified as high or substantial as per the World Bank ESF classification criteria;
* TA activities that may entail downstream significant adverse impacts or risks (ToR for each proposed TA activity should be developed in line with the principles of ESF);
* Projects which will have a negative impact on critical habitats;
* Projects which may have irreversible impact on or loss of natural habitats;
* Construction projects which may lead to involuntary loss of land or assets, access to land or resettlement (physical or economic) and loss of livelihoods;
* New construction projects which may have negative impact on cultural heritage;
* Projects which may have significant adverse social impacts or could lead to significant social conflict;
* Projects which are highly likely to have significant adverse effects on human health and/or the environment;
* Sub-projects which block access to or use of land, water points etc. used by others.

## Labour Management PROCEDURES

The Labour Management Procedures addresses the risks and impacts of labour engagement. It also entails the requirements of the World Bank’s Environmental and Social Standards 2 and 4 which are on labour and working conditions and community health and safety respectively. There is also recognition of the importance of employment creation and income generation in the pursuit of poverty reduction and inclusive economic growth.

The following aspects should be ensured during project implementation at all work settings:

* Promotion of safety and health all the time at work;
* Fair treatment , non-discrimination and equal opportunities for all project workers;
* Protection of vulnerable groups/workers such as women, persons with disabilities, and community workers;
* Prevention use of all forms of forced labour and child labour;
* Support principles of freedom of association and collective bargaining of project workers in a manner consistent with national law;
* Provision of project workers with accessible means to raise workplace concerns.

The MTI and PMU will have the overall responsibility to oversee all aspects of the implementation of the Project, in particular to ensure contractor compliance. The project will be implemented by MTI, addressing all CAFI aspects as part of procurement for works as well as during contractor induction. The contractors will subsequently be responsible for management of labour issues in accordance with contract specific labour Management Plans, implementation of which will be supervised by the MTI on a monthly basis or at agreed intervals as defined by specific Plans. The detailed approach is described in the following sections.

**Occupational Health and Safety.**

The Project’s E&S Specialist (to be recruited within 3 months of project effectiveness, as per ESCP) must ensure that the implementation of CAFI will be conducted in compliance to occupational health and safety requirements. The E&S Specialist will make sure that each participating institution receives the template OHS programs, establish safety representatives for day-to-day monitoring of safety requirements, record and report all incidents accordingly to the Project.

**Labour and Working Conditions.**

Government civil servants, who may provide support to the Project, will remain subject to the terms and conditions of their existing public sector employment agreement or arrangement and teachers will be controlled by the provisions of the Education act. In addition to these the COVID – 19 regulations 2020 will also apply.

**Contractors Occupational Health and Safety.**

Contractors must engage a minimum of one safety representative. Smaller contracts may permit for the safety representative to carry out other assignments as well. The safety representative will ensure the day-to-day compliance with specified safety measures and records of any incidents are done. Minor incidents are reported to the MTI on a monthly basis; serious incidents are reported immediately. Minor incidents are reflected in the quarterly reports to the World Bank; major issues are flagged to the World Bank immediately.

**Contractor Labour and Working Conditions.**

Contractors will keep records in accordance with specifications set out in this LMP. The MTI may at any time require records to ensure that labour conditions are met. The PMU will review records against actuals at a minimum on a monthly basis and can require immediate remedial actions if warranted. A summary of issues and remedial actions will be included in quarterly reports to the World Bank.

**Worker Grievances.**

The MTI procedures currently in place will remain for Project staff. Contractors will be required to present a worker grievance redress mechanism which responds to the minimum requirements in this LMP. The PMU’s E&S Specialist will review records on a monthly basis. Where worker concerns are not resolved, the national system will be used as set out in the section, but the PMU will keep abreast of resolutions and reflect them in quarterly reports to the World Bank.

**Additional Training.**

Contractors are required to, at all times, have a qualified safety officer on board. If training is required, this will be the contractor’s responsibility. The safety officer will provide instructions to contractor staff. MTI will provide training to address risks associated with labour influx and will provide a schedule for trainings required. The contractor will be obligated to make staff available for this training, as well as any additional mandatory trainings required by MTI, as specified by the contract.

**POLICIES AND PROCEDURES**

The engagement and treatment of program staff will be made on the basis of characteristics related to inherent job requirements. It will be based on the principle of equal opportunity and fair treatment, and there will be no discrimination with respect to any aspects of the employment relationship, such as recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, job assignment, promotion, termination of employment or retirement, or disciplinary practices.

Contractors will be responsible for mitigating all environmental and social impacts of subprojects resulting from activities directly under their control. The E&S Specialist will incorporate standardized environmental and social clauses in the tender and contract documents in order for potential bidders to be aware of environmental and social performance requirements that will be expected from them and are able to reflect that in their bids and required to implement the clauses for the duration of the contract. The MTI will enforce compliance by contractors with these clauses.

The contractor will be required to ensure that all documentation related to environmental and social management, including the LMP, is available for inspection at any time by the MTI or its appointed agents. The contractual arrangements with each project worker must be clearly defined in accordance with Lesotho Legislation. All environmental and social requirements will be included in the bidding documents and contracts in addition to any additional clauses, which are contained, in the Projects environmental and social instruments.

The MTI, PMU, Contractors, or sub-contractors will never engage forced labour. Forced labour includes bonded labour (working against an impossible debt), excessive limitations of freedom of movement, excessive notice periods, retaining the worker’s identity or other government-issued documents or personal belonging, imposition of recruitment or employment fees payable at the commencement of employment, loss or delay of wages that impede the workers’ right to end employment within their legal rights, substantial or inappropriate fines, physical punishment, use of security or other personnel to force or extract work from project workers, or other restrictions that compel a project worker to work on a non- voluntary basis.

**Labour Influx and Gender Based Violence**

Contractors will need to maintain labour relations with local communities through a Code of Conduct (CoC). The CoC commits all persons engaged by the contractor, including sub-contractors and suppliers, to acceptable standards of behaviour. The CoC must include sanctions for non-compliance, including non-compliance with specific policies related to gender-based violence, sexual exploitation and sexual harassment (e.g., termination). The CoC should be written in plain language and signed by each worker to indicate that they have:

* Received a copy of the CoC as part of their contract;
* Had the CoC explained to them as part of induction process;
* Acknowledged that adherence to this CoC is a mandatory condition of employment;
* Understood that violations of the CoC can result in serious consequences, up to and including dismissal, or referral to legal authorities.

A copy of the CoC shall be displayed in a location easily accessible to the community and project affected people. It shall be provided in English and SeSotho.

Contractors must address the risk of gender-based violence, through: Mandatory training and awareness raising for the workforce about refraining from unacceptable conduct toward local community members, specifically women. Training may be repeated;

* Informing workers about national laws that make sexual harassment and gender-based violence a punishable offence which is prosecuted;
* Adopting a policy to cooperate with law enforcement agencies in investigating complaints about gender-based violence;
* Developing a system to capture gender-based violence, sexual exploitation and workplace sexual harassment related complaints/issues.

This process will be under the portfolio of the E&S Specialist to be recruited under the PMU and shall identify and engage the relevant stakeholders on GBV and HIV and Aids related issues.

**Occupational, Health and Safety**

The Project is committed to:

* Complying with legislation and other applicable requirements which relate to the occupational health and safety hazards.
* Enabling active participation in OH&S risks elimination through promotion of appropriate skills, knowledge and attitudes towards hazards.
* Continually improving the OH&S management system and performance.
* Communicating this policy statement to all persons working under the control of the Project with emphasis on individual OH&S responsibilities.
* Availing this policy statement to all interested parties at all participating educational facilities and institutions.

Each sub-project’s E&S Officer will be responsible for overseeing the workplace Safety, Health and Environmental issues. He/she must:

* Identify potential hazards;
* In collaboration with the employer, investigate the cause of accidents at the workplace;
* Attend meetings of the safety and health committee to which that safety and health representative is a member;
* Make recommendations to the employer in respect of safety and health matters affecting employees.

Further to avoid work related accidents and injuries, the contractor will:

* Provide occupational health and safety training to all employees involved in CAFI subproject’s works.
* Ensure availability of first aid box.
* Provide employees with access to toilets and potable drinking water.
* Provide safety and occupational safety measures to workers with Personal Protection Equipment (PPE) when installing solar systems to prevent accidents during replacement and installation and follow safety measures in installing them.
* Properly dispose of solid waste at designated permitted sites landfill allocated by the local authorities.

Further to enforcing the compliance of environmental management, contractors are responsible and liable of safety of site equipment, labours and daily workers attending to the site installations and safety of citizens for each sub-project site, as mandatory measures.

**AGE OF EMPLOYMENT**

Lesotho has ratified The African Charter on the Rights and Welfare of the Children (also known as ACRWC or Children’s Charter) was adopted by the Organisation of African Union (OAU) in 1990 and was entered into force in 1999. Lesotho has also ratified both the ILO Minimum of Age Convention (C138) and the ILO Worst Forms of Child Labour Convention (C182). The ACRWC, C138, C182 prohibit employment of children under the age of 18.

The minimum age of employment for this project shall be 18 years and to ensure compliance, all employees will be required to produce National Identification Cards as proof of their identity and age which is the national identification required for employment.

If any consultant employs a person under the age of 18 years, that consultant will not only be terminated but also reported to the authorities.

**TERMS AND CONDITIONS**

The terms and conditions of employment in terms of this project are governed by the provisions of The Labour Code Order of 1992.For this project, contractors will be required to provide all its employees with written particular of employment, including casual employees.

**Worker’s Organization**

Lesotho has ratified the numerous ILO Conventions aimed at ensuring that member states protect the notion of collective bargaining. These Conventions include: ILO Convention 87 on Freedom of Association and Protection of the Right to Organize and ILO Convention 98 on the Right to Organize and Collective Bargaining.

Section 31. of The Constitution of Lesotho provides for the Protection of workers' rights and interests Lesotho shall take appropriate steps in order to encourage the formation of independent trade unions to protect workers' rights and interests and to promote sound labour relations and fair employment practices. This guarantees all workers of their right to freely form, join or not join a trade union for the promotion and protection of the economic interest of that worker; and collective bargaining and representation.

The Labour Code Order 1992 regulates both the employers and employees respectively on proper procedures in all aspects of **industrial relations.** It also gives effect to the collective bargaining, amongst other purposes and allows for the collective negotiation of terms and conditions of employment.

The MTI provides employees with the right to join and form an organization for purpose of labour representation.

**DISCIPLINARY PROCEDURES AND GRIEVANCE MECHANISM**

In any working environment it is essential for both employers and employees to be fully conversant with all aspects of disciplinary processes, the grievance handling procedures and the legal requirements and rights involved. In implementing an effective dispute management system consideration must be given to the disputes resulting from the following:

* Disciplinary Action;
* Grievance Redress Mechanism (GRM).

**Disciplinary Procedure**

The starting point for all disciplinary action is rules. These rules may be implied or explicit and of course will vary from workplace to workplace. Some rules are implied in the contract of employment (e.g., ruling against use of alcohol and drugs at workplace), however it is advisable that even implied rules be included in the disciplinary code or schedule of offences. Therefore, the workplace rules must be:

* Valid and reasonable;
* Clear and unambiguous;

The employee must understand the procedure to be applied if he/she contravenes nay of the rules.

A comprehensive Grievance Redress Mechanism has been developed for the project, however the following dispute resolution procedures at workplace will be as follows:

* Conducting of a comprehensive investigation to determine whether there are grounds for a hearing to be held;
* If a hearing is to be held, the employer is to notify the employee of the allegations using a language that the employee can understand;
* The employee is to be given reasonable time to prepare for the hearing and to be represented by a fellow employee or lawyer;
* The employee must be given an opportunity to respond to the allegations, question the witnesses of the employer and to lead witnesses;
* If an employee fails to attend the hearing the employer may proceed with the hearing in the absence of the employee;
* The hearing must be held and concluded within a reasonable time and is to be chaired by an impartial representative;
* If an employee is dismissed, it must be given the reasons for dismissal and the right to refer the dispute concerning the fairness of the dismissal to the labour Court.

Therefore, it is incumbent upon the Consultants/Contractor to ensure that they have a disciplinary procedure and Code and Standards which the employees are aware of. Each Consultant/Contractor will be required to produce this procedure to ensure that employees are not treated unfairly.

**Individual Grievance Procedure**

Termination of Employment requires every employer, including contractors, to have a Formal Grievance Procedure which should be known and explained to the employee. Such procedure should at least:

1. Specify to whom the employee should lodge the grievance;
2. Refer to time frames to allow the grievance to be dealt with expeditiously;
3. Allow the person to refer the grievance to a more senior level within the organization, if it is not resolved at the lowest level;
4. If a grievance is not resolved the employee has the right to lodge a dispute with the employer.

All the contractors who will be engaged for the project will be required to produce their grievance procedure as a requirement for tender which at a minimum comply with these requirements. In addition, good international practice recommends that the procedures be transparent, is confidential, adheres to non-retribution practices and includes the right to representation. After they are engaged, they will be required to produce proof that each employee has been inducted and signed that they have been inducted on the procedure.

**Collective Grievances and Disputes Resulting from the Negotiations of Collective Agreements**

Where a trade union is recognized, it is entitled to negotiate on a regular basis with the employer over terms and conditions existing at the workplace and the employer is obliged to negotiate with it. The procedures followed in such instances is usually contained in the Recognition Agreement, which states how the issues are raised, the procedure for negotiations, the composition of the parties involved in the negotiation and the procedure to deal with issues that are not resolved through consensus. Part XVIII of the Labour Code Order 1992, deals with the handling of collective grievances as raised by the employees.

**Gender-based Violence, Sexual Exploitation and Abuse and Workplace Sexual Harassment**

Violence and harassment in the work world deprives people of their dignity, is incompatible with decent work, and a threat to equal opportunities and to safe, healthy, and productive working environments. It remains a widespread phenomenon, present in all countries and disregarding sectors, occupations and workplace arrangements.

**CONTRACTOR MANAGEMENT**

The MTI will requires that contractors monitor, keep records and report on terms and conditions related to labour management. The contractor must provide workers with evidence of all payments made, including social security benefits, pension contributions or other entitlements regardless of the worker being engaged on a fixed term contract, full-time, part- time or temporarily. The application of this requirement will be proportionate to the activities and to the size of the contract, in a manner acceptable to the MTI and the World Bank:

* **Labour conditions**: records of workers engaged under the Project, including contracts, registry of induction of workers including CoC, hours worked, remuneration and deductions (including overtime), collective bargaining agreements;
* **Safety**: recordable incidents and corresponding Root Cause Analysis (lost time incidents, medical treatment cases), first aid cases, high potential near misses, and remedial and preventive activities required (for example, revised job safety analysis, new or different equipment, skills training, and so forth);
* **Workers**: number of workers, indication of origin (expatriate, local, nonlocal nationals), gender, age with evidence that no child labour is involved, and skill level (unskilled, skilled, supervisory, professional, management);
* **Training/induction**: dates, number of trainees, and topics.
* **Details of any security risks**: details of risks the contractor may be exposed to while performing its work—the threats may come from third parties external to the project.
* **Worker grievances**: details including occurrence date, grievance, and date submitted; actions taken and dates; resolution (if any) and date; and follow-up yet to be taken—grievances listed should include those received since the preceding report and those that were unresolved at the time of that report.

Every Safety File is ‘site-specific’. It will be compiled following the client’s and the site’s safety [specifications](https://safetyfile.co.za/services/). The overall information requirements remain the same, and the site- specific documents will be added. When Health and Safety File is set up, it will consist of the following Documents:

* + Contractor appointment letter.
  + Notification of Construction Work
  + Copy of the OHS regulations
  + Occupational Health and Safety Management Plan
  + Company Occupational Health and Safety Policy
  + Letter of Good Standing
  + Material Safety Data Sheets for hazardous materials used (if required)
  + Tax Clearance Certificate
  + Risk Assessments
  + Safe work procedures (Site Specific)
  + Fall Protection Plan (if required)
  + Legal appointment with proof of training (Ex. Chief Executive Officer, Risk Assessor, First Aider, etc.)
  + Incident Reporting Procedures
  + Incident Reports
  + Incident Registers
  + Reports of Accidents
  + Emergency Preparedness Documents
  + First Aid Documents
  + Induction Records
  + Medical Surveillance Records
  + Safety Communication (e.g., Toolbox talks)
  + Minutes of Safety Meetings
  + Inspection Registers

## SEA/SH Prevention and Response Action Plan

### Project Development Objective

The project development objective is to increase access to business support services and financial products targeted at MSMEs and entrepreneurs, especially women and youth.

### Glossary

**Gender Based Violence:** GBV is an umbrella term for any harmful act that is perpetrated against a person’s will and that is based on socially-ascribed (i.e., gender) differences between males and females. It includes acts that inflict physical, sexual or mental harm or suffering, threats of such acts, coercion, and other deprivations of liberty. These acts can occur in public or in private.

**Sexual Exploitation and Abuse:**

**Sexual exploitation** is any actual or attempted abuse of a position of vulnerability, differential power or trust for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another;

**Sexual abuse** is actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions.

**Sexual Harassment:** Any unwelcome sexual advances, request for sexual favors, and other verbal or physical conduct of a sexual nature.

### Objectives of GBV/SEA/SH Prevention and Response Plan

1. To provide strategies and support mechanisms to mitigate the risk of and respond to allegations of gender-based violence (GBV), including sexual exploitation, abuse and sexual harassment (SEA/SH);
2. To detail how allegations of SEA/SH will be handled and disciplinary action for violation of the Code of Conduct (CoC) by personnel.

### Project Risks Related to SEA/SH

GBV/SEA/SH risk rating is deemed Low given the nature of Project activities which will not involve any major labor influx and/or labor camps necessary for large scale civil works. Mitigation measures are thus proportionate to the Low risk rating.

**CONTEXT OF GBV**

Incidence of GBV in Lesotho presents a significant and persistent challenge. Despite important gains in advancing more equitable gender norms in Lesotho, as anchored in the Constitution, challenges in the promotion of gender equality across all spheres persist and incidence rates of GBV remain high.

Drivers of GBV include entrenched social norms. Harmful socio-cultural practices such as early and forced marriages, as well as female genital mutilation or circumcision (FGM/C), also persist in some parts of the country, while alcohol and substance abuse further contribute to GBV. Gains have been made in the reduction of FGM/C, in part due to legislative advances and public awareness campaigns. Poverty and unemployment are also key drivers of GBV, as associated stress and frustration often manifest in negative coping behaviours including aggression and violence, particularly in the home.

A culture of silence around experiences of GBV prevails across the country. This is influenced by socio-cultural norms that both stigmatize survivors, justify and normalize perpetration of violence, particularly in the home. Feelings of shame and fear also deter survivors from seeking care or reporting incidents to justice or security actors. As such understanding of incidence is often impaired and the magnitude of the challenge is likely even more significant. It is notable that there is limited understanding of male experiences of physical or sexual violence in Lesotho, however, several studies highlight experiences particularly of sexual assault among adult men and boys. Actual and perceived stigmatization is often even more pronounced for male survivors; thus, the scope and extent of the challenge remains underreported and poorly understood.

The Government has developed critical legislation, legal instruments and policy frameworks that seek to address and mitigate the consequences of GBV. These include:

* Sexual Offenses Act of 2003;
* Gender and Development Policy 2018 – 2030.

1. SEA/SH Risks

Development projects which lead to an increased male presence in communities contribute to increased risk of SEA/SH especially of women and girls. Dominance of male workers/ supervisors or decision makers can lead to sexual exploitation of females in vulnerable positions. Also, males can take advantage of female workers when they are few at work. Development projects involving civil works often require labour force, services and goods that cannot be fully met by the local supply. Therefore, workers may be brought in from outside of the project area which may increase the risks of SEA/SH, although this is not expected on this project.

1. **Negative shifts in power dynamics**

The project objective is to increase access to business support services and financial products targeted at MSMEs and entrepreneurs, especially women and youth. This may lead to socio-economic changes within households when women are economically empowered. Men may therefore feel insecure due to perceived threat to traditional gender roles, and this may subsequently lead to increased risk of GBV against women and girls in particular.

1. **Increased risk of transmission of communicable diseases and links to SEA/SH**

Creation of employment may cause people to leave their homes and temporarily stay at project areas where they can be closer to their work place. This may result in this people forming sexual relations outside their families consequently leading to increased spread of HIV/AIDS and sexually transmitted diseases (STDs) which are likewise related to the risks of SEA/SH as well as Covid-19.

### Proposed SEA/SH Risk Mitigation Measures

This section summarizes some of the proposed mitigation measures that the Project will adopt to prevent and respond to both SEA/SH and HIV/AIDS related issues. Below are the proposed mitigation measures for prevention and response to SEA/SH related issues in sub-projects:

* Mapping of GBV survivor support services (psychosocial, medical, and legal) in the relevant project areas, including availability and quality of care;
* Developing and implementing a sub-project specific Grievance Redress Mechanism (GRM) that will ensure multiple safe and accessible entry points as well as confidentiality on reporting and resolution of SEA/SH cases in the sub-projects;sub-project specific GRM shall be in line with the GRM developed for the project and shall include service-mapping information as well as a response protocol;
* Sensitize and train project workers and project affected communities on SEA/SH and the Code of Conduct;
* Ensure all workers understand and sign Code of Conduct;
* Hold inclusive, participatory consultations with women beneficiaries and from Project affected communities, paying special attention to the needs of women with disabilities and women from other vulnerable/marginalized groups, in separate, safe, and confidential settings to allow for free expression of views and confidentiality during the focus group discussions on issues related to SEA/SH, HIV/AIDS and other communicable diseases, as well as other sensitive topics;
* Include mandatory SEA/SH risk mitigation clauses in bidding documents and contracts;
* Monitoring of indicators in relation to SEA/SH risk mitigation measures for each sub-project.

### Implementation of the SEA/SH Prevention and Response Action Plan

The dedicated focal points identified for this project (E&S Specialist, and GRM focal points at the national and district offices) have the overall responsibility for the implementation of SEA policies and activities and will report regularly to the PMU and the WBG.

**GBV/SEA programming guiding principles are outlined below.**

* + ***Confidentiality:***at all stages of the intervention, the privacy and confidentiality of survivors will be assured, prioritizing the well-being of survivors, and ensuring that the delivery of services and support will not compromise the privacy or identity of the individuals involved.
  + ***Respect:***respect of the wishes, dignity and choice of the survivors will be always observed and during all stages of any intervention. Survivors will be supported to give their free and informed consent, based on a clear understanding of the facts, implications, risks, and consequences of an action, before information is shared or action is taken.
  + ***Safety and security:***awareness and consideration of any risks or safety concerns that might compromise the physical safety of individuals affected by GBV/SEA will be sufficiently addressed and factored into any GBV/SEA intervention or initiative.
  + ***Non-discrimination:***all GBV/SEA interventions will be designed to ensure access and the same level of quality of care and assistance for all persons seeking support, or persons affected by GBV/SEA, without regard to sex, gender, age, ethnicity, religion, or other status.

The project will seek involvement of the following organizations in order to raise awareness about GBV/SEA/SH.

**SHE Hive -** is a women-led non-profit making organization which strives to combat GBV and empower survivors of GBV by offering them Psychosocial Support, legal & medical referral.

**LMPS -** Child and Gender protection unit – deals mainly with protection of children, women, and men who have suffered from gender based violence by investigating cases and ensuring prosecution of cases, as well as sensitizing the communities on issues of gender based violence**. One stop center by Ministry of Gender, Sports and Recreation (MGYSR) -** The Centre provides a temporary place of safety to women and children survivors of sexual and gender based violence where they receive psychosocial support, mediation, economic empowerment, referral, health and legal services to ensure an integrated response and support services to survivors.

**Gender links** – Is a Non-Governmental Organization (NGO) that promotes gender equality and justice. Gender Links seeks to reverse the brutal negative cycle of women’s lack of voice, choice and control through actions at regional, national, community, household and individual level. Gender Links Lesotho activities include assisting the police to better respond to GBV, assisting in provision safe houses to help survivors who have nowhere to go and assisting different call centres to operate effectively.

**Women and Law in Southern Africa (WLSA)** – Is a non-governmental organization whose mission is to promote and protect women’s human rights in socio-economic, legal and political context through active research, lobby and advocacy on policy and legal reform that discriminate against women and children. Part of its mission is also to train and educate on laws and policies that advance women’s rights.

### SEA/SH complaint verification process

This process shall be followed for verification of complaints:

* A SEA/SH Complaint Log Book will be used to record all SEA/SH complaints received.Each sub-project shall assign an officer who will keep, maintain, and monitor the Log Book. This Log Book will record the case numbers, who received the case, age/sex of the survivor, type of SEA/SH, project link (if known), whether the survivor was referred for services, and a status column from GBV service provider (if relevant) to be selected which will show whether the case is pending or closed. Due to the sensitivity of SEA/SH cases and HIV/AIDS related issues, these grievances will be managed separately from other types of grievances and will not be documented in the publicly accessible book provided by the project GBV service provider will be the only entity with access to survivor identities. All information transmitted to the project GBV Log Book will be anonymous (survivor names replaced with unique identifier codes). The assigned officer shall inform the PMU upon recording GBV/SEA/SH complaint in the Log Book;
* All GBV/SEA/SH complaints received by the project through any of the intake channels of the CAFI GRM shall be referred to GBV service provider to be selected who will also work with LMPS Child and Gender Protection Unit;
* Upon receiving cases (via telephone or walk-ins), GBV service provider to be selected will provide immediate referrals to service providers upon case intake for walk-ins. For cases received via telephone, the GBV service provider to be selected shall make contact with the survivor within 48 hours of cases being submitted. However, in cases of sexual assault, the initial contact shall be made immediately (within 24 hours) because the survivor will need medical attention for HIV prevention and emergency contraception;
* Each sub-project together with the PMU shall then await feedback from the GBV service provider to be selected on the proceeding of the case (in some cases it will not be the full details of the case as some are kept highly confidential). The verification reports provided by the GBV service provider to be selected will clearly state findings of the case without exposing confidential information;
* The Log Book shall make it easier to track all cases. The PMU shall report the following information to the World Bank within 24 hours of receiving notification of a SEA/SH complaint: case number if needed, age/sex of the survivor, type of SEA/SH, project link (if known), whether the survivor was referred for services, as well as any status updates on pending cases as needed.

### SEA/SH Reporting Channels

The reporting channels for GBV/SEA/SH complaints are varied to allow for anonymous reporting as well as reporting through channels that are accessible, safe, and confidential to survivors. The following will be used to report all GBV/SEA/SH cases involving the Project:

1. **In-person reporting** – Anyone making a complaint related to GBV/SEA/SH may file a report in person to the manager or environmental and social officer of a related sub-project or at PMU offices in Maseru.
2. **Toll free line** – The project may establish a toll free number for reporting of GBV/SEA/SH cases or use existing toll free lines including the following:

* 112 - LMPS toll free line for reporting crime. This is however used for reporting all kinds of crime and not focused on GBV cases;
* 800 111 11 or 800 666 66 – by Gender Links meant specifically for reporting GBV cases.

1. Any person who witnesses or receives information about a sexual offence and has reasonable grounds to believe an offence has taken place, has a responsibility to report the offence to the police. In addition, SEA/SH victim shall not be coerced, forced or persuaded not to report the offence or to withdraw a complaint.

In some cases, it will not be necessary to follow the above step by step. Some survivors may choose to directly call the toll-free line for anonymity purposes to which then PMU may not be aware of the case at first instance. Therefore the GBV service provider to be selected will keep the same Log Book that the project will use so that all cases are recorded for tracking against the project Log book, in order to ensure that no case goes untraced or unknown by PMU. A periodic review of both Log Books shall be done in order to be able to report on all cases regardless of the channel used to report them. This is due to the sensitivity of complaints related to SEA/SH.

**The provision for a project based GRM does not in any way limit the aggrieved party from seeking recourse from the courts of law in the country.** Information will be provided to the project beneficiaries on the legal system that they could use as needed including the sources outlined below.

* + The Judiciary system has in the past invested in strengthening the National Police Force to establish gender desks in most police stations across the country. Specific police officers have also been trained to manage survivors and ensure that all necessary information and evidence is gathered to facilitate prosecution of offenders/perpetrators, as necessary.
  + There are many organizations (both local and international) operating across the country (although not evenly distributed) which render support to survivors in the pursuit of justice.

### Framework for SEA/SH Prevention and Response Action Plan

Presented in table 14 is SEA/SH prevention and response action plan for the project. The budget for implementation of actions shall be funded under component 3 of the project (Project Management and Implementation Support) as part of GRM maintenance budget.

Table 17: Framework for SEA/SH Prevention and Response Action Plan

| Action | Timing of action | Key Activities | Indicators | Responsibility |
| --- | --- | --- | --- | --- |
| Sensitize the CAFI PMU on the importance of addressing SEA/SH risks in the project and identify the mechanism that will be implemented. | Project design and Implementation phases | PMU will mobilise for dialogues with LMPS and other key role players in prevention and response to GBV/SEA/SH. | * Percentage of PMU personnel sensitized. | PMU |
| Monitor the risk rating at all times, and in case it is escalated to higher levels, map out GBV prevention and response actors in the project area. GBV service providers to provide quality survivor-centered services for medical, psychosocial, and legal assistance, including case management, survivor advocates, provide referral pathway for all needed service referrals (in accordance with international best practices) | Project design | Identify all GBV service providers and consult them in order to identify possible working relations during the project implementation. | * Number of dialogues held with the aim of establishing working relations between actors and PMU * Number of GBV service providers and services they provide. | PMU |
| Decide on an entity that shall be responsible for implementation of GBV/SEA/SH prevention and response plan. For instance LMPS or NGOs already focusing on GBV/SEA/SH issues or synergies of relevant role players. | Project design | * Develop selection criteria for GBV prevention NGO that shall be engaged. | * Terms of reference for potential entities; * Procurement/engagement of a potential entity for implementation of GBV/SEA/SH prevention and response plan. | PMU |
| SEA/SH risks adequately reflected in all E&S project documentation (ESMF, LMP, ESCP & SEP and sub-projects ESMPs) | Project design and Implementation phases | Identify all GBV risk and mitigation measures in all E&S project documents | SEA/SH risks adequately reflected in all relevant E&S project documents and sub-projects E&S documents. | PMU |
| Avail funding to ensure that survivors have access to timely, safe and confidential services including medical, psychosocial, and legal assistance as well as use of short-term shelter or safe spaces) where necessary. | Project design and Implementation phases | Funds to cater for transportation for access to holistic services, documentation of legal fees and lodging fees (place of safety) where necessary | * Percentage of GBV/SEA/SH cases that required legal representation; * Percentage of GBV/SEA/SH survivors transferred to places of short-term shelter. | PMU |
| Clearly define the SEA/SH requirements and expectations in the bid documents especially for sub-projects that require civil works. | Procurement | Include sections/clauses in the bidding documents that state how contractors will address SEA/SH risks in the project. | * Number of bidding documents with clearly defined SEA/SH requirements. | PMU |
| Clearly explain and define the requirements of the bidders Code of Conduct before submission of bids | Procurement | Facilitate Pre-bidding conference meetings to discuss the project E&S requirements on addressing GBV/SEA/SH risks. | * Number of bidding documents with clearly defined Code of Conduct requirements before submission of bids | PMU |
| Evaluate the Contractors GBV/SEA/SH Accountability and Response policies and plans in the Contractors E&S documentation and confirm prior to finalizing the contract the Contractor’s ability to meet the project’s SEA/SH prevention and response requirements. | Procurement | facilitate Evaluation of Contractors | * Number of bid documents evaluated on SEA/SH risks and mitigation measures (availability of policies and procedures) | PMU |
| Review the Grievance Redress Mechanism's reception and processing of complaints to ensure that all protocols are being followed in a timely and effective manner. | Project Implementation | * Periodic monitoring of effectiveness of receiving and processing SEA/SH complaints. | * Percentage of SEA/SH cases received through the GRM and referred to services. * Percentage of SEA/SH complaints resolved within the prescribed GRM timeframe; * Average time taken to resolve SEA/SH grievances. | PMU |
| Ensure Code of Conduct (CoC) in relation to SEA/SH is understood and signed by all PMU personnel sub-project workers. | Project Implementation – prior to mobilization of each sub-project and continued during project implementation | * Ensure requirements of the CoC are clearly understood by those signing for sub-projects; * Train PMU personnel and sub-projects workers on the behavior obligations under the CoC;   Sensitize communities on CoC in cases where sub-projects are within community context;   * Undertake monthly monitoring and evaluations of progress on GBV/SEA/SH prevention and response activities, including re-assessments of risks as appropriate. | * Percentage of PMU personnel and sub-project trained on Code of Conduct; * CoC signed by all PMU personnel and sub-projects personnel; * Visual display code of conducts at PMU offices and sub-projects offices; * Number of sensitization program and trainings offered to PMU, sub-projects personnel and communities (where relevant). * Monthly and quarterly reports on progress of GBV/SEA/SH prevention and response plan. | PMU  Sub-projects |
| For projects occurring within communities, organize community awareness-raising sessions to disseminate information about prohibited SEA/SH conduct, how to report GBV/SEA/SH incidents through the GRM, and availability of services. This information shall also be available on the Project website. | Throughout implementation | Ensure that community members in project- affected areas are aware of GBV/SEA/SH, how to access the GRM, and where to seek assistance in cases of SEA/SH incidents.  Sensitizations should take place when there is basic service-mapping information available and SEA/SH complaint channel is operational. | * Number of community sensitization sessions conducted; * -Number of community members reached with SEA/SH sensitization (segregated by gender). | Entity that shall be  PMU  Sub-projects community liaison officers |
| Provision of appropriate facilities to reduce GBV/SEA/SH risks | Project Implementation -prior to commencement of works. | Provide separate, safe and easily accessible facilities for women and men, well-lit and should be lockable from the inside; | Availability of adequate sex-segregated, safe, and easily accessible facilities for women and men | PMU |
| Each sub-project shall develop a specific and effective Grievance Mechanism (GRM) in line with the generic GRM contained in the Stakeholder Engagement Plan (SEP) and shall be approved by the PMU. Project specific GRM shall provide multiple safe and confidential channels for launching of complaints including safe and confidential referral and management of SEA/SH complaints. It shall also include service-mapping information and response and information-sharing protocols. | Project design and Implementation | * Sensitize and train sub-projects personnel on GRM and SEA/SH plan; * Ensure that project specific GRM is a requirement for sub-projects. * Ensure development of appropriate review process and verification structure for SEA/SH complaints. * All relevant GRM implementation actors should be trained on safe and confidential management of SEA/SH complaints, including service referrals, survivor-centered response, and ethical data management. * Ensure adequate awareness-raising in project affected communities regarding access to GRM and available support services. | * Percentage of SEA/SH complaints referred to services through GRM procedures; * Percentage of SEA/SH complaints resolved in prescribed GM timeframe;   Average duration of resolving GBV/SEA/SH issues. | PMU/ Sub-project/ Entity that shall be appointed for management of SEA/SH cases related to the project. |

### SEA/SH CODE OF CONDUCT (COC)

As part of the measures to curb social (including SEA/SH) risks or harmful acts in a workplace, a Code of Conduct (CoC) has been developed. The CoC is subject to all PMU personnel as well as personnel that shall be engaged in sub-projects under CAFI.

**ETHICAL AND BEHAVIOURAL STANDARDS**

The CoC provides the behaviour prohibited and behaviour and ethics required from all the Project personnel. It further states that personnel should feel free in reporting issues without fear. The following are ethical and behavioural standards:

* Personnel must not engage in any abuse of vulnerable people and communities;
* Personnel will respect all persons equally without distinction of race, gender, sexual orientation, age, socio-economic status and more;
* There shall be zero tolerance for abuse and misconduct, including sexual exploitation and abuse, sexual and work place harassment, discrimination, assault, and threatening or jeopardizing the lives or wellbeing of colleagues or others;
* Personnel must not abuse any associated privileges and immunities granted by hosting line ministries.

**REQUIRED CONDUCT FROM PERSONNEL:**

* Women and children shall not be discriminated. They will be treated with equal respect and never be placed in compromising situations;
* Personnel shall not engage in sexual intercourse with a child under 18 years unless in the case of pre-existing marriage;
* Unwelcome sexual advances or sexual harassment of any form are prohibited. Verbal or physical sexual conducts including requests for sexual favours in exchange of employment, goods and services for sex is unacceptable;
* Sexual exploitation in exchange for benefits from Project’s goods, and service benefits shall not be engaged in;
* Attempted rape, rape, gang rape and other forms of rape are prohibited;
* Sexual assault meaning non-consensual contact –without penetration, is forbidden;
* Personnel should not engage in sexual relationships with crisis-affected populations since such relationships are based on imbalanced power dynamics and undermines the credibility and integrity of this code of conduct.

**RAISING CONCERNS**

In the case whereby the code of conduct is violated, the observer must raise the issue promptly in the following steps:

1. Launch a complaint using SEA/SH reporting channels.
2. The reporter’s identity must be kept confidential. All the reports, anonymous complaints and known shall be submitted and given all the consideration that is due and appropriate. It is essential that the confidentiality and safety of GBV survivors is protected.
3. Investigations must be carried out in case of a possible misconduct and appropriate action shall be taken.
4. Recommendations shall be provided to service providers in order to comfort the alleged victim of the incident.

**Mitigation of SEA/SH/GBV**

**Several mitigation measures will be implemented by the project to ensure the protection of all beneficiaries supported by the project.**

* *Community awareness and disclosure of CoC:* The CoC will be made available to the public in the project areas, especially to identified project stakeholders. Education and raising of awareness for communities on SEA and their legal rights will be done. Project beneficiaries will be made aware of the laws and services that can protect them and provide redress in case of an incident;
* *Community awareness on child protection concerns:* Communities will be informed that in case of abuse of children, they should refer such complaints to child protection partners and any other agencies engaged in GBV/SEA prevention without recording the survivor’s details;
* *Gender and child sensitive communication channels:* Disclosure will take place through different communication channels taking into consideration child and survivor safety when designing and distributing information by the PMU and/or the respective IP;
* *Cases of GBV/SEA can be reported through the general Project GRM:* the GRM focal points for the project will be trained to receive GBV/SEA cases in an appropriate manner. Beneficiaries and communities will generally be encouraged to report all GBV/SEA cases through the dedicated GBV/SEA referral system and complaints resolution mechanism. Contact information will be made explicit in all community awareness sessions, as well as be part of the publicly disclosed information. All information will be made accessible all project beneficiaries. The GBV/SEA referral system will ensure that survivors receive all necessary services, including medical, legal, counselling, and that cases involving children aged 16 years and below are reported to the police where applicable.

**CONSEQUENCES OF VIOLATING THE CODE OF CONDUCT**

Violation of the code of conduct by PMU personnel or sub-projects personnel must result in serious outcomes or consequences such as contract termination and possible referral to legal authorities.

## Integrated Pest Management Plan

### Context

The proposed Competitiveness and Financial Inclusion project is intended to contribute to economic growth and poverty reduction in the country, through strengthening of competitiveness of priority value chains in manufacturing, commercial agriculture and tourism, and scaling-up support for entrepreneurship ecosystem and MSMEs development. Expected outputs of the project include improved job creation along priority values chains; capacitated MSMEs with improved access to finance and more resilience to economic shocks and other disasters; as well as capacitated implementing agencies.

As part of the environmental and social risk management documentation needed to support Lesotho Government’s request for World Bank financing, the following are required for the proposed project.

1. Environmental and Social Management Framework (ESMF) including Labour Management Procedures (LMP) and Waste Management Plan (WMP and Gender Based Violence/ Sexual Exploitation and Abuse (GBV/SEA/SH) prevention action plan;
2. Stakeholder Engagement Plan (SEP);
3. Integrated Pest Management Plan (IPMP); and
4. Environmental and Social Commitment Plan (ESCP).

The Second Private Sector Competitiveness and Economic Diversification Project (PSCEDP II) has therefore engaged an Individual Consultant for the development of this documentation. The document at hand focuses on the Integrated Pest Management Plan (IPMP) aspect of the Environmental and Social Risk Management Documentation for the proposed Lesotho Competitiveness and Financial Inclusion (CAFI) Project. The integrated Pest Management Plan (IPMP) therefore details an approach that is drafted with an aim to establish the most sustainable and conservative strategies to aid with managing pests by merging biological, cultural, physical, and chemical tools in a manner that maximizes the reduction of economic, environmental, health and social risks associated with the project.

The IPMP is relevant to activity 2 of CAFI sub-component 2.3 which entails expansion of smallholder horticulture production through a Horticulture Incubator program. Support under this program will finance goods, works, equipment, operating costs, technical assistance, and capacity building to expand horticulture production for export.

### project activities with risks related to pest management

Pest Management is mainly related to risks under sub component 2.3. The activities are expansion of smallholder horticulture production through a Horticulture Incubation program. The support under the program shall finance goods, works, equipment, operating costs, technical assistance and capacity building to setup a Horticulture Incubator for small farms and agribusiness SMEs and expand horticulture production for export. Expansion of the horticulture production for export may entail use of agrochemicals especially pesticides in order to improve production. Also, technical assistance and capacity building may include sound techniques on environmentally sound use of agrochemical in order to minimize contamination or pollution.

### Rationale and Objectives of the IPMP

**Rationale**

The IPMP provides measures to be followed in managing pests related to CAFI related project interventions in Lesotho. It describes how pests will be managed using existing national and international legislations on the use of pesticides and pest management practices. The IPMP is relevant to Sub-component 2.3 of the project which includes Expansion of smallholder horticulture production through a Horticulture Incubator program. Support under this program will finance goods, works, equipment, operating costs, technical assistance, and capacity building to expand horticulture production for export.

The plan outlines a responsive plan for pest management in an environmentally sound and safe manner. In addition, it has identified potential environmental and health risk that may be encountered through unsafe use of pesticides, and mitigation measures for addressing the impacts identified. In addition to providing details of the mitigation measures to be implemented for the impacts, the responsible institutions to implement them are also stated in the IPMP. It also designs a program for capacity building in Integrated Pest Management as well as institutional responsibilities for taking actions and responding to IPM needs.

**Objectives of Integrated Pest Management Plan**

* Elimination of significant threats caused by pests to the health and safety of workers, visitors, the public and any other project stakeholders;
* Prevention of loss or damage to structures or property by pests;
* Protection of environmental quality within and around the project confines.

### Relevant Environment, Health, and Safety Guidelines (EHSGs)

The World Bank has the industry Environment, Health and Safety Guidelines and those that are relevant to the project are provided in this section. They are intended for ensuring Good International Industry Practice (GIIP) as well as setting performance levels and measures that are acceptable. This section provides relevant EHS guidelines in terms of pesticide management include the following:

1. **Environmental** 
   1. Wastewater and Ambient Water Quality

This guideline is applicable to the project with potential to generate process wastewater, sanitary or domestic sewage or storm water. It ensures that there is avoidance, minimization and control of adverse impacts to human health, safety or the environment.

1.5 Hazardous Materials Management

Applicability of this guidelines is on projects which entail use or handling of the hazardous materials. Hazardous material are those that are detrimental to human health, property, or the environment due to their physical or chemical characteristics.

1.6 Waste Management

This guideline is for projects which involve generation of hazardous and non-hazardous waste. This guideline covers waste management planning, prevention, storage, transportation, treatment and disposal.

1. **Occupational Health and Safety**

2.2 Communication and Training

The guideline requires provision of OHS orientation training to all employees to ensure that they are aware of among others basic site rules, basic hazard awareness, safe work procedures and emergency procedures. Visitors should also be given safety orientation and should not enter hazardous areas unescorted.

2.3 Physical Hazards

Physical hazards represent potential for accident or injury or illness due to repetitive exposure to mechanical action or work activity. Single exposure to physical hazards may result in a wide range of injuries, from minor and medical aid only, to disabling, catastrophic, and/or fatal. A series of exposures over a prolonged period of time can results in disabling injuries of comparable significance and consequence.

2.4 Chemical Hazards

Chemical hazards represent chemicals that have a potential to cause an illness or injury due to single acute exposure or chronic repetitive exposure. The chemical hazards can be prevented through the following hierarchical approach: replacement, engineering control, limiting exposure, good communication and trainings.

2.5 Biological Hazards

They are biological agents which have a potential to cause illness or injury due to single acute exposure or chronic repetitive exposure. In order to ensure protection against biological agents, there should be encouragement and enforcing of highest levels of hygiene and personal protection.

2.7 Personal Protective Equipment (PPE)

It is used for protection of workers exposed to workplace hazards. It should be ensured that there is active use of PPE, provision of appropriate PPE and proper maintenance of PPE. Selection of PPE should be associated to hazards and risks.

2.8 Special Hazard Environments

The guideline provides guidance for workplaces with presence of all or some forms of hazards such as biological or chemical hazards. They may exist under unique or hazardous circumstances.

2.9 Monitoring

Monitoring programs are used to ensure the effectiveness of occupational health and safety prevention and control strategies. The strategies should entail inspections, surveillance and trainings.

**3. Community Health and Safety**

3.5 Transport of Hazardous Materials

This includes guidelines on general transportation of hazardous materials. It is a requirement to comply with both international and national legal framework on transportation of hazardous material.

3.7 Emergency Preparedness and Response

In order to ensure effective response to accidents, the guideline requires development of procedures and practices for handling of hazardous materials. There should be clear planning, coordination, emergency equipment and training.

### Major potential pests in lEsotho

Provided in table 18 are common pests in Lesotho, crops they normally infest and chemical pesticides that normally used to control them. It is important to encourage IPM approach to the control of these pests and others which may affect horticulture crops. Currently, Lesotho does not have an approved list of pesticides and is in the process of developing a Bill in this regard. Pesticides which were used in Horticulture projects under PSCED II were therefore guided by the Republic of South Africa’s Maximum Residue Limits (MRLs) for pesticides. Active ingredients provided in table 18 have been approved in South Africa.

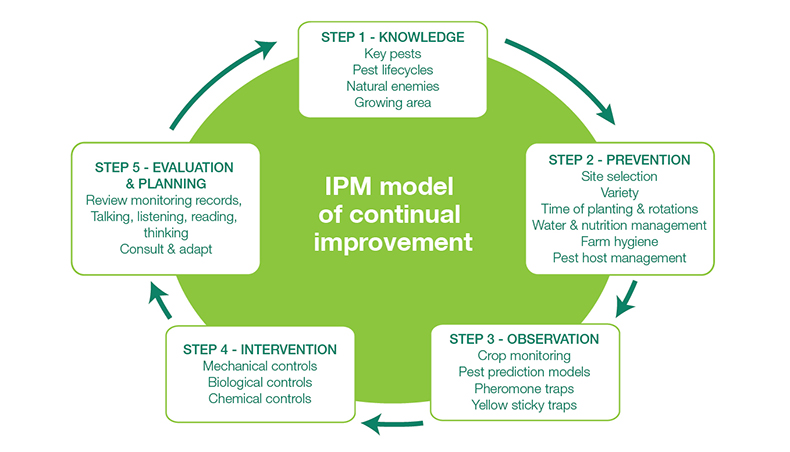
**Table 18: Common horticulture pests in Lesotho and treatment pesticides**

| PESTS AND DISEASES | | CROPS THEY FEED ON | USED CHEMICAL/ PESTICIDE (TRADE NAME) | Active Ingredient |
| --- | --- | --- | --- | --- |
| NAME | SPECIES |
| Codling Moth | *Cydia pomonolla* | Apple  Peach  Pear | Ripcord | Cypermethrin |
| Cutworm | *Aquotis spp*  *Euxoa spp* | Peas  Apple | Karbaspray | Carbaryl |
| Ambush | Cyfluthrin |
| Ripcord | Cypermethrin |
| Pollen Beetle | *Mylabris spp*  *Ceroctis spp* | Apple | Karbaspray | Carbaryl |
| Aphids | *Opalosiphum maidis*  *Schizaphis graminum*  *Diuraphis noxia*  *Sitobion aveane*  *Aphis fabae*  *Brecicoryne brassicae* | Broccoli  Brussel sprouts  Cabbage  Cauliflower  Paprikas and Peppers  Apples and Gooseberries  Tomato, etc. | Aphicide | Dimthetoate |
| Malathion | Mercaptothion |
| Metsystox R | Oxydemeton-methyl |
| American Bollworm | *Heliothis Armigera* | Beans and Peas | Ripcord | Cypermethrin |
| Ambush | Cyfluthrin |
| Karbaspray | Carbaryl |
| Diamond Back Moth | *Plutella Macullipenis* | All vegetables parts | Ripcord | Cypermethrin |
| Ambush | Cyfluthrin |
| Baythroid | Cyfluthri |
| Bagrada Bug | *Bagrada hilaris* | Leaves, stems flowers and seeds of various crops such as cabbage, broccoli, cauliflower, radish, kale. | Aphicide | Dimthetoate |
| Karbaspray | Carbaryl |
| Mediterranean Fruit Fly | *Ceratitis capitata* | Citrus, Peach, Apple, Pear | Aphicide | Dimthetoate |
| Ripcord | Cypermethrin |
| Common Smut | *Ustilago medis*  *Sporosrium sorghi* | Apple  Tomatoes | Cupravit | Copper oxychloride |
| Black Rot | *Xanthomonas campestris* | Broccoli, Kale | Cuprarit | Copper oxychloride |
| Anthracnose | *Collectoricum lindemuthianum* | Vegetable branches, fruits (apple) and leaves | Antracol | Ethylene dithiocarbamates (mg CS2/kg)( Propineb) |
| Dithame M45 | Ethylene dithiocarbamates (mg CS2/kg)(Mancozeb) |
| Bacterial Spot | *Xanthomonas* | Tomato | Cupravit | Copper oxychloride |
| Mildew | *Erisyphe pisi oxychloride*  *Erisyphe fuligena* | Vegetables foliage, stems, flowers and fruit | Cupravit | Copper oxychloride |
| Antracol | Ethylene dithiocarbamates (mg CS2/kg)( Propineb) |
| Lonacol | Ethylene dithiocarbamates (mg CS2/kg)(Zineb) |
| Dithame M45 | Ethylene dithiocarbamates (mg CS2/kg)(Mancozeb) |
| Leaf Blight | *Xamnthomonas phaseoli oxychloride*  *Alternaria solani*  *Phytophthora infestans*  *Alternia cucumerica* | Vegetable leaves and apple | Cupravit | Copper oxychloride |
| Dithame M45 | Ethylene dithiocarbamates (mg CS2/kg)(Mancozeb) |
| Lonacol | Ethylene dithiocarbamates (mg CS2/kg)(Zineb) |
| Antracol | Ethylene dithiocarbamates (mg CS2/kg)( Propineb) |

### IPMP implementation

**IPMP model**

Provided in figure 5 a model for implementing and evaluating IPMP practices and it is aimed at continual improvement.



**Figure 5: Model for implementing and evaluating IPMP practices (**[**https://www.farmbiosecurity.com.au/what-is-integrated-pest-management/**](https://www.farmbiosecurity.com.au/what-is-integrated-pest-management/) **accessed March 2022)**

Provided in table 19 is a description of pest control measures including cultural, physical/mechanical, biological and chemical methods.

**Table 19: Description of pest control interventions**

| Tool | Description | Limitations | Methods | Treated pests |
| --- | --- | --- | --- | --- |
| Cultural methods | Non-chemical pest control through changing the living habits and the environment. It covers careful consideration of plant varieties, crop rotation, and management of soil to eliminate possible proliferation and existence of pests within the cash crop. | Cultural methods require planning in advance and adequate knowledge of the ecology of the pest.  Pest resistant plant varieties may also not be available locally.  In addition, farmers may also not have sufficient room for crop rotation. | **Soil preparation** to make suitable soil environment for healthy roots making the plant more resistant to pests and diseases. | Insects and diseases |
| **Plant selection** which involves uses of disease-free and insect-free seeds as well as seedlings that have well developed root systems. | Insects and diseases |
| Crop rotation | Insects |
| Intercropping | Insects |
| Timing of planting and harvesting | Insects |
| Weed management | Weeds and insects |
| **Trap crops** which involve planting of crops that are highly attractive to pests and then treating them with insecticides. | Insects |
| Physical/ mechanical methods | This covers the control of pests through use of physical means or hardware that serve as barrier to limit access of the pest to the cash crop. Again with this method chemical utilization is excluded as the physical structures used either kill the pests directly or the environment is designed in a manner that renders it inhabitable to the pests thus protecting the cash crops. | Mechanical methods require time and are more practical for small gardens. | Handpicking | Insects and weeds |
| Traps | Insects and rodents |
| Barriers to exclude some pests. | Insects and weeds |
| Pruning and Raking | Insects |
| Water sprays and irrigation | Insects and diseases |
| Fighting devices including reflective objects, noise makers human or predator figures. | Birds |
| Biological methods | This involves conserving or enhancing natural/ecological enemies of pests or interfering with the life cycle of pests.  Three categories of natural enemies of insects’ pests are: predators (organisms that feed on insects); parasitoids (insects with an immature stage that develops on or in a single insect host, and ultimately kills the host); and pathogens (bacteria, fungi, protozoans and viruses that cause disease in pests). | Timing of biological methods can be a challenge as significant damage can occur before a commercially available predator is introduced. | Conserving existing natural enemies | Insects |
| Classical biological control - Introducing new natural enemies and establishing a permanent population. | Insects |
| Chemical methods (chemicals that are less toxic and have a shorter life after  application) | Covers the utilization of chemicals (pesticides, insecticides, herbicides etc.) in managing pests of interest within a project. Chemical methods are the least favourable effected only where biological and cultural methods prove inadequate in protecting plant productivity and viability. The selection of the exact chemicals to be used ensures that only pests of interest are targeted while ensuring that the toxicity of the chemicals on non-target populations of beneficial species is as reasonably low as possible. | Pest can evolve and develop resistance to active chemicals.  Beneficial insects are normally killed along with pests resulting in worst infestations as pests generally recover quicker.  There can also be adverse impacts on non-target organisms which feed on insects and leaves contaminated by pesticides.  Human exposure to hazardous chemicals as well as pollution of water resources. | Herbicides | Weeds |
| Insecticides | Insects |
| Fungicides and antibiotics | Diseases |

**Treatment Notification**

This section provides measures that shall be taken to notify communities about use of pesticides, particularly chemical pesticides. They shall be delivered in line with the already developed stakeholder engagement plan and shall include:

* Signs at entrance points accessible to the public and near the application area before and during spraying. The signs shall include the following information among others:
  + For fumigation, danger signs written in bold red and in capital letters should be placed and shall include details of fumigation;
  + For extermination, signs with words ‘warning’ and ‘pesticide use’ written in bold red and capital letters shall be used. They shall contain black single silhouette of an adult person on white background, red outer circle and oblique bar. Contact details, date posted and dated of application as well as application area shall be provided;
* Notification of local authorities (Chiefs and Councilors);
* Community gatherings which shall be held at the beginning of a sub-project which involves use of pesticides. The purpose of the gatherings will to explain warning signs and alerts that will be used and the importance of adhering to the warnings. Yearly gatherings shall be held to serve as a reminder to the public.

**Programme to meet IPMP requirements**

The following requirements will be followed for implementing an effective IPMP under CAFI project inventions in relation to Horticulture:

* Setting up of IPMP committee;
* Registration and training of all pesticide distributors/resellers;
* PMP Communication and IPM/PMP Orientation workshop for project actors;
* Education and awareness creation among downstream project actors (pesticide distributors/resellers, farmers, farm assistants) of the importance of pest and pesticide management based on this IPMP;
* Pests Inventory and Monitoring Measures;
* Stakeholder and Interest Group consultation and Involvement;
* Prevention of new Pest Infestations and management of established Pests;
* Capacity Building on IPMP;
* Institutional Arrangements and Responsibilities;
* Participatory Monitoring and Evaluation.

**Setting up IPMP Committee**

IPMP committee will be diverse group meant for the implementation of the project IPMP. It will be made of up representatives from MoAFS, farming groups, as well as crop protection experts. The leader of the committee shall be knowledgeable in pests, pesticides and pesticides regulations and international best practice. This committee shall be set up at beginning of sub-projects under activities of subcomponent 2.3 which involve use of pesticides.

**Registration and training of all pesticide distributors/resellers**

It is important to identify pesticides distributors and resellers and train them on regulations, and permitted pesticides. Their storage, transportation and safe handling shall be included in the training.

**Communication, education and awareness**

It is important to workshop the IPMP to all the key actors in relation to the horticulture incubation program subcomponent of CAFI. This will ensure that all the decision makers have a clear understanding of the IPMP. Another key requirement is to provide education and awareness creation among downstream project actors (pesticide distributors/resellers, farmers, farm assistants) of the importance of pest and pesticide management based on this IPMP.

**Pests Inventory and Monitoring Measures**

Pest identification is one of the key steps in IPMP. This involves identifying common pests in the project area and monitoring plants to detect any pest infestations. An inventory of identified pests shall be developed together with appropriate monitoring measures. Development of monitoring measures will require an understanding of the behavior of the pests. Monitoring measures will also assist in prevention of new infestations and management of established pests.

**Stakeholder and Interest Group consultation and Involvement**

A number of consultations were conducted to inform the preparation of CAFI E&S Risk documentation which includes this IPMP. Among others, MoAFS Crop production unit, and orchards funded under Private Sector Competitiveness and Economic Diversification (PSCED) II were consulted. Stakeholder consultation and involvement is an ongoing process and shall continue during the implementation of IPMP. Communities within which horticulture activities funded under CAFI will be hosted shall continually be engaged.

**Capacity Building**

Capacity building is key in ensuring successful implementation of IPMP. Some of the necessary trainings to be conducted are provided in table 20.

**Table 20: Proposed trainings for successful implementation of IPMP**

|  |  |
| --- | --- |
| Topic | Target trainees |
| IPMP – principles, tools, implementation and monitoring. | Project Management Unit (PMU), Ministry of Agriculture and Food Security (MoAFS) and Department of Environment (DoE) |
| Occupational health and safety in pest control particularly chemical pesticides. Aspects to cover transportation, storage, handling disposal of empty pesticides containers and expired pesticides. | Agricultural extension officers, horticulturalists, pesticides distributors and farmers involved in CAFI sub-projects. |
| Environmental management in pest control. Training may also cover an overview of World Bank Environmental and Social Standards as well as ESHGs related to safe use of pesticides. | MoAFS including Agricultural extension officers, Department of Environment, horticulturalists, and farmers involved in CAFI sub-projects. |

**Institutional arrangements and responsibilities**

Project Management Unit shall work hand in hand with the Ministry of Agriculture and Food Security in ensuring successful implementation of the IPMP. This will be done through putting in place necessary structures and capacity building for IPMP. Table 21 provides roles and responsibilities for different stakeholders necessary for the implementation of IPMP.

**Table 21: Roles and responsibilities for IPMP implementation**

| Organization | Roles and Responsibilities |
| --- | --- |
| Project Management Unit | * Approving relevant sub-projects; * Allocating sufficient budget for IPMP implementation; * Capacity building for MoAFS and DoE. This shall include technical assistance where necessary; * Monitoring and evaluation of IPMP. |
| Ministry of Agriculture and Food Security | * Providing technical assistance to farmers involved CAFI sub-projects. This will involve engagement of agricultural extension officers who will assist small holder farmers under CAFI sub-component 2.3. |
| Consultant for Horticulture incubation Center | * Provide technical assistance to small holder farmers in relation to IPMP. |
| Department of Environment – Pollution control | * Monitor correct handling and disposal of pesticides working with relevant stakeholders including MoAFS, PMU and Ministry of Local Government and Chieftainship. |
| Ministry of Local Government and Chieftainship | * Monitor correct disposal of pesticides containers and expired pesticides with guidance from the Department of Environment. |
| Department of Labour | * Monitor implementation of OHS procedures in pest management including provision of PPE. |
| Farmers participating in CAFI project | * Attend trainings on IPMP; * Implement IPMP requirements in relation to integrated pest management; * Record keeping and reporting; * Monitor the effectiveness and challenges of pest control measures. |

**Participatory monitoring and evaluation**

It is important to monitor and evaluate the effectiveness of the IPMP in order to make necessary adjustments where there may be a need. Monitoring should be participatory in that all the key stakeholders involved in the implementation of the IPMP including farmers, decision makers should be involved in the monitoring. A monitoring plan for the IPMP is provided in chapter 4.

### Selection of pesticides

Selection of pesticides will be guided by the consideration of several pest management approaches for cultural, physical and biological measures before resorting to application of chemical pesticides. Furthermore, the choice of chemicals to be used for pest management will be informed by data on pesticides that have been previously tested and studied.

Principles of cost efficiency, security of the chemical to not only humans but the biophysical environment as well as effectiveness of the chemical in pest management should direct pest utilization within the project. Pesticides selection will be made in accordance with the World Bank guidelines for the selection of pesticides (World Bank Operational Manual, GP 4.03) as follows:

(i) Pesticides requiring special precautions should not be used if the requirements are not likely to be met.

(ii) Pesticides to be selected from approved list, taking into consideration of: toxicity, persistence, user experience, local regulatory capabilities, type of formulation, proposed use, and available alternatives.

(iii) Type and degree of hazard and availability of alternatives; and the following criteria will be used to restrict or disallow types of pesticides under Bank loans:

a. Toxicity: acute mammalian toxicity, chronic health effects, environmental persistence and toxicity to non-target organisms. Table 22 shows WHO recommended classification of pesticides for hazards[[6]](#footnote-6);

b. Registration status in the country and capability to evaluate long-term health and environmental impacts of pesticides.

**Table 22: WHO Classification of pesticides**

|  |  |  |
| --- | --- | --- |
| Class | LD50 for the rat (mg/kg body weight) | |
| **Oral** | **Dermal** |
| Ia Extremely hazardous | < 5 | < 50 |
| Ib Highly hazardous | 5–50 | 50–200 |
| II Moderately hazardous | 50–2000 | 200–2000 |
| III Slightly hazardous | Over 2000 | Over 2000 |
| U Unlikely to present acute hazard | 5000 or higher | |

### Storage, handling and disposal of pesticides

**Storage of chemical pesticides**

The most effective means of storage of pesticides is to limit the amounts and types of pesticides stored. A pesticides storage facility (room, cabinet, building etc.) should be assessed for the potential harm to human health and the environment due to spills, contaminated runoff or fire. The storage area must be protected from moisture, direct sunlight, freezing temperatures and most importantly the area must not be prone to flooding (University of Massachusetts Amherst, 2022). Extreme temperatures may lead to chemicals breakdown.

The housing for pesticides storage must be fenced and located far away from people, animals and water sources. In the case where pesticides are placed in an already existing building, they should be stored on impermeable metal shelves or cabinets. The storage house must be labelled “Pesticide storage area” and all the pesticide containers must be properly labelled to avoid confusion.

Pesticides must be inspected upon arrival to make sure that they are tightly sealed to avoid spillages and exposure. A designated mixing/loading pad for mixing pesticides is necessary in order to contain any spill, leak or overflow. Absorbing materials can be used for spills, in the case where there are no absorbing agents, the spills can be contained for treatment.

**Handling of chemical pesticides**

Farmers must always use proper Personal Protective Equipment when spraying or applying pesticides to avoid inhalation and skin contact. The necessary PPE includes respirators, chemical resistant gloves, safety footwear, overalls with long sleeves, safety goggles, headgear, aprons and a first-aid kit should be available immediately outside the storage area (WHO, 2009). Proper training must be obtained before the mixing and use of pesticides. A professional properly licensed applicator can be engaged for handling pesticides.

The use of specialized methods of application of pesticides is highly recommended to increase efficiency and to reduce the chances of pesticide drift (Martinez et al., 2004). Pesticide drift occurs when the pesticide droplets are carried in the air and deposited where they are unwanted. Therefore, direct means of application are vital.

**Disposal**

An improperly disposed product can be hazardous to people and the environment. It is recommended that pesticide containers should be returned to the manufacturer for treatment and reuse. However, if not possible, the Global GAP recommends that empty pesticides containers should triple rinsed with water before storage and disposal, and the rinsate (mixture pesticide diluted by water) stored in such a way that it poses no risk to the environment. The containers must be punctured prior to disposal so that no other individual will use it. A store for all empty pesticide containers is required.

The rinsate should not be disposed directly into the sewage treatment lines, toilet, sink drain or any other water body as most municipal systems lack the means to remove all pesticide residues during sewage water treatment. Pesticides are likely to interfere with waste water treatment systems as well as polluting waterways and killing non-target organisms (Greenhouse Management, 2013). The rinsate can be reused as 5% of the next mixture of the same pesticide, this can be done immediately or within the same season.

### Budget for IPMP

Budget for IPMP implementation will be covered under sub-component 2.3 of the Project. Funds shall be used for activities including the following:

* Setting up IPMP implementation committee;
* Training of IPMP implementers and monitoring organizations. This shall involve training at national level, training of trainers; and training at district and community level;
* Provision of pest management equipment and protective gear;
* IPMP monitoring and evaluation and this shall involve inspections and reporting.

### IPMP Monitoring Plan

In order for the IPMP to be a success during the project implementation, it is essential that a plan for monitoring be in place. Monitoring of the plan upon project implementation allows for reviews and evaluations to be made to allow for improvement considering the project dynamics in different project sites. Tables 23 to 25 provide potential impacts, mitigation measures, and monitoring arrangements for IPM, biological pest control and chemical pesticides.

**Table 23: Positive Impacts of IPM**

| Potential Impacts /  Concerns | Control/Mitigation Measure | Responsible Institution | Monitoring Institution | Monitoring  Frequency |
| --- | --- | --- | --- | --- |
| Increase in agricultural yields | * Train farmers in timely and appropriate use of pest management techniques to protect fruits and vegetables from pest damage | CAFI PMU | MTI | Quarterly |
| Contribution to food  Security due to improved yields | * Train pesticides distributors in selection and handling of approved pesticides; * Train farmers in the appropriate application of the various IPM practices. | CAFI PMU | MTI | Annually |
| Improved environmental protection | * Enforce regulation prohibiting importation of banned chemical pesticides; and * Educate farmers on harmful consequences of banned chemical pesticides. | MoAFS  CAFI PMU | CAFI PMU  Department of Environment | Biannually |

**Table 24: Potential impacts of biological pest control methods and monitoring arrangements**

| **Potential Issues /**  **Concerns** | **Mitigation Measures** | **Responsible Institution** | **Monitoring Institution** | **Monitoring**  **Frequency** |
| --- | --- | --- | --- | --- |
| **Positive potential impacts of biological pest control methods** | | | | |
| Reduced  environmental and  health risks | Disseminate environmental and health benefits of biological controls to the communities to encourage usage | MoAFS - agricultural extension officers in project areas | CAFI PMU | Annually |
| Reduction in time spent on application of chemical pesticides | Prepare an inventory of indigenous and established biological control methods and conduct community awareness programs | MoAFS – agricultural extension officers in project areas | PMU | Annually |
| Crop resistance to pests through improved varieties | Awareness campaigns on the benefits of new and improved seed varieties, which are resistant to pests so as to help reduce application of chemical pesticides. | MoAFS – agricultural extension officers in project areas | PMU | Annually |
| Preservation of biodiversity and  wildlife habitats | Conduct awareness campaigns on the importance of adopting tissue culture techniques as a biological method of controlling pests. | MoAFS | * Department of Environment * CAFI PMU | Annually |
| **Negative potential impacts of biological pest control methods** | | | | |
| Damage on other unintended crops due to wrong application of method by farmers. | * Apply biological controls carefully with full knowledge of the consequences; * Train farmers on the appropriate application and management of biological controls for various crops; * Train farmers on integrated pesticide management. | Farmers  MoAFs | * MoAFS * CAFI PMU | Annually |
| Risk of damage to crops due to delay of biological agents in acting. | * Educate farmers on long term benefits of the biological methods to facilitate their adoption; * Transition to IPM method should be phase to prevent significant losses of production during transition. | * MoAFS – agricultural extension officers in project areas; * Farmers | CAFI PMU | Annually |

**Table 25: Chemical pesticides potential impacts, mitigation measures and monitoring**

| Potential Impact /  Concerns | Mitigation Measures | Responsible Institution | Monitoring Institution | Monitoring  Frequency |
| --- | --- | --- | --- | --- |
| POSITIVE IMPACTS OF CHEMICAL PESTICIDES | | | | |
| Increase in crop yield | Implement a long term IPM programme to sustain productivity and combat negative effects of chemical pesticides. | CAFI PMU and MoAFS,  CAFI participating farmers | MTI | Annually |
| Increase in economic growth | CAFI PMU  Farmers | MTI | Annually |
| NEGATIVE IMPACTS OF CHEMICAL PESTICIDES | | | | |
| Depletion of organic soil nutrients due to persistent | Apply soil conditioning measures compatible with IPM | Farmers | CAFI PMU | Quarterly |
| Poisoning of non-target species including natural  biological pesticides | * Supervise and control use of chemical pesticides so that only approved and recommended ones are used; * Dispose old equipment as recommended by manufacturer; * Provision and correct use of recommended PPE/C; * Conduct trainings on IPMP | Farmers | CAFI PMU | Quarterly |
| Adulteration due to lack of controls and enforcement of  regulations | Inspection, sampling and testing in line with regulations and product specifications | Pesticides transporters, suppliers and research  stations | * MoAFS * CAFI - PMU | Quarterly |
| Health and safety risks due to exposure to pesticides | * Provision of PPE/C and monitoring of its correct use; * Training users on proper pesticide handling, use, storage and disposal; * Routine medical examination | * Agrochemicals-dealers; * Transporters; * Farmers. | * Department of Labour * CAFI PMU | Annually |
| Water, soil environmental  pollution | * Construct suitable storage facilities; * Construct bio-beds, draining channels and draining dams. * Use chemical remains to re-spray. * Clean equipment in one designated place; * Use plants such as water lilies to absorb waste pesticides; * Take regular stock of pesticides; * Train farmers not to spray toxic chemicals close to water sources; * Train farmers to maintain spray equipment in safe operational order. | * Pesticides transporters and suppliers * CAFI PMU * Farmers | * Department of   Environment   * Department of Water Affairs | Quarterly |
| Provide adequate and separate storage space for pesticides | Farmers and agro-chemical dealers | MoAFS  CAFI PMU | Biannually |

1. Teenage pregnancy rates increased from 88.16 per 100,000 in 2010 to 93 per 100,000 in 2017, with most girls having their first child between ages 18 and 20 [↑](#footnote-ref-1)
2. UNAIDS 2018 [↑](#footnote-ref-2)
3. World Bank 2012 Development report. [↑](#footnote-ref-3)
4. Mosetse 2006 [↑](#footnote-ref-4)
5. Sub-project specific ESMP [↑](#footnote-ref-5)
6. Adopted from The WHO Recommended Classi­fication of Pesticides by Hazard and Guidelines to Classi­fication 2019 [↑](#footnote-ref-6)