

3/18/2022

STAKEHOLDER ENGAGEMENT PLAN (SEP) FOR THE PROPOSED LESOTHO COMPETITIVENESS AND FINANCIAL INCLUSION PROJECT

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

1st Floor, Matanki House
Corner Bafour and Kingsway Road
P.O. Box 747 Maseru, Lesotho

DRAFT (to be updated)

QUALITY MANAGEMENT

Report Issue	First Issue	Second Issue	Third Issue
Prepared by	Lipalesa Malebese	Lipalesa Malebese	Lipalesa Malebese
Position	Individual Consultant	Individual Consultant	Individual Consultant
Signature			
Date	25/02/2022	8/03/2022	18/03/2022
Approved by			
Position			
Signature			
Date			

This report was prepared by Lipalesa Malebese for Ministry of Trade and Industry (MTI). The material contained reflects the Consultant's best judgment based on the information available at the time of preparation. It is prepared for submission to the Client (MTI) in accordance with professional services contract. The disclosure of any information contained in this report is the sole responsibility of the intended Client (MTI).

TABLE OF CONTENTS

QUALITY MANAGEMENT	I
TABLE OF CONTENTS.....	II
LIST OF TABLES	IV
ACRONYMS.....	V
1 INTRODUCTION.....	8
1.1 CONTEXT	8
1.2 OBJECTIVE AND JUSTIFICATION FOR THE SEP.....	9
2 REGULATIONS AND REQUIREMENTS.....	10
2.1 SUMMARY OF WORLD BANK ENVIRONMENT AND SOCIAL STANDARDS (ESS)	10
2.2 APPLICABLE NATIONAL LEGISLATION	12
3 SUMMARY OF ASSESSMENT OF POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS	14
4 STAKEHOLDER IDENTIFICATION AND ANALYSIS.....	16
4.1 STAKEHOLDER IDENTIFICATION AND ANALYSIS	16
4.1.1 <i>Stakeholder categories</i>	<i>16</i>
4.1.2 <i>Stakeholder identification and Analysis.....</i>	<i>17</i>
4.1.2.1 <i>Stakeholder identification and categorization</i>	<i>17</i>
4.1.2.2 <i>Stakeholder needs assessment</i>	<i>20</i>
4.2 STAKEHOLDER CONSULTATIONS	22
4.2.1 <i>Competitiveness and Financial Inclusion Project design meetings</i>	<i>22</i>
4.2.2 <i>Stakeholder consultations for the purpose of E&S Risk documentation.....</i>	<i>24</i>
5 PROPOSED STAKEHOLDER ENGAGEMENT PLAN.....	27
5.1 STRATEGY FOR STAKEHOLDER ENGAGEMENT	27
5.2 INFORMATION DISCLOSURE.....	27
5.3 COMMUNICATION STRATEGY	28
6 GRIEVANCE REDRESS MECHANISM (GRM)	33
6.1 INTRODUCTION.....	34
6.2 KEY PRINCIPLES OF GRM.....	34

6.3	GRIEVANCE REDRESS MECHANISM PROCESS	36
6.3.1	<i>Managing GBV Related Grievances</i>	<i>37</i>
6.3.2	<i>SEA/SH COMPLAINT VERIFICATION PROCESS</i>	<i>37</i>
6.3.3	<i>SEA/SH REPORTING CHANNELS</i>	<i>38</i>
6.4	LESSONS LEARNED FROM PSCED II GRM	39
7	IMPLEMENTATION, MONITORING AND REPORTING OF THE SEP	40
7.1	RESPONSIBILITIES FOR IMPLEMENTATION OF SEP	40
7.2	MONITORING AND REPORTING	40
7.3	BUDGET FOR STAKEHOLDER ENGAGEMENT PLAN.....	42
8	BIBLIOGRAPHY	43
9	ANNEXURES	44
9.1	FEEDBACK FROM STAKEHOLDER CONSULTATIONS CONDUCTED FOR THE PURPOSE OF E&S RISK DOCUMENTATION	44
9.2	GRIEVANCE REDRESS MECHANISM LESOTHO SECOND PRIVATE SECTOR COMPETITIVENESS AND ECONOMIC DIVERSIFICATION PROJECT	58

LIST OF TABLES

Table 1: Summary of Environmental and Social Standards	10
Table 2: National legislation applicable to the project	13
Table 3: General Potential Environmental and Social Risks common to the majority of sub-components	14
Table 4: Potential Risks for Component 1 Activities	14
Table 5: Potential Risks for Component 2 Activities	14
Table 6: Potential Risks for Component 3 Activities	15
Table 7: Stakeholders identified per sub-component and their categorization	17
Table 8: Stakeholder needs assessment	20
Table 9: Competitiveness and Financial Inclusion Project Design Meetings	23
Table 10: Proposed Stakeholder Engagement Strategy	30
Table 11: Stakeholder Engagement Indicators	41
Table 12: Summary of comments from stakeholder consultations.....	44

ACRONYMS

AfDB	African Development Bank
AIDS	Acquired Immunodeficiency Syndrome
PAPs	Project Affected Parties
ASYCUDA	Automated Systems and Customs Data
BEDCO	Basotho Enterprise Development Corporation
CAFI	Competitiveness and Financial Inclusion Project
CBL	Central Bank of Lesotho
Covid-19	Corona Virus
EDSP	Economic Diversification Support Project
EIA	Environmental Impact Assessment
ESCP	Environmental and Social Commitment Plan
ESIA	Environmental and Social Impact Assessments
ESMF	Environmental and Social Management Framework
ESS	Environmental and Social Standards
GAP	Good Agricultural Practices
GBV	Gender Based Violence
GDP	Gross Domestic Product
GM	Grievance Mechanism
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
HIV	Human Immunodeficiency Virus
IFC	International Finance Corporation
IPMP	Integrated Pest Management Plan
LAA	Land Administration Authority
LEC	Lesotho Electricity Company

LMP	Labour Management Procedures
LMPS	Lesotho Mounted Police Services
LNDC	Lesotho National Development Corporation
LRA	Lesotho Revenue Authority
LSN	Lesotho Start-up Network
MCC	Maseru City Council
MGYSC	Ministry of Gender, Youth, Sports and Recreation
MoAFS	Ministry of Agriculture and Food Security
MoDP	Ministry of Development Planning
MoF	Ministry of Finance
MoH	Ministry of Health
MoLGC	Ministry of Local Government and Chieftainship
MSC	Ministry of Small Business Development and Cooperatives
MSMEs	Micro, Small and Medium Enterprises
MTEC	Ministry of Tourism, Environment and Culture
MTI	Ministry of Trade and Industry
OIPs	Other Interested Parties
PCA	Physical Configuration Audit
PMU	Project Management Unit
PS	Private Sector
PSC	Public Service Commission
PSCEDP II	Private Sector Competitiveness and Economic Diversification Project
SEP	Stakeholder Engagement Plan
SES	Social Environmental Safeguards
SHE	Safety, Health and Environment
SMEs	Small and Medium Enterprises
ToR	Terms of Reference

UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
VIGs	Vulnerable Individuals/Groups
WB	World Bank
WHO	World Health Organisation
WMP	Waste Management Plan

DRAFT

1 INTRODUCTION

1.1 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 safeguards 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 Stakeholder Engagement Plan (SEP) aspect of the Environmental and Social Risk Management Documentation for the proposed Lesotho Competitiveness and Financial Inclusion Project. Stakeholder Engagement Plan (SEP) is a formal communication strategy that creates opportunities for dialogue between an organization and its stakeholders in order to ensure that a consistent, comprehensive and coordinated approach is taken during stakeholder engagement and project disclosure throughout the project (Kanade, 2019). The strategy, among others, specifies the frequency and type of communications, media, contact persons, and locations of communication events.

Stakeholder engagement is crucial for supporting the project's risk management process, especially the early identification and avoidance of internal and external issues that would hamper the progress of the project. It forms part of the project decision making on assessment,

management and monitoring of environmental and social risks and impacts as well as grievance mechanism.

1.2 OBJECTIVE AND JUSTIFICATION FOR THE SEP

According to World Bank (2018), Environmental and Social Standard (ESS) 10 improves environmental and social sustainability of the project if done effectively as it recognizes the importance of open and transparent engagement amongst the developer and project stakeholders. Stakeholder Engagement Plan clearly 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. It shall be in compliance with the following objectives of ESS10 as listed by World Bank, (2018):

- To establish a systematic approach to stakeholder engagement, identification of stakeholders as well as building and maintaining a constructive relationship with stakeholders;
- To assess the level of stakeholder interest and support for the project and to enable stakeholders' views to be taken into account in project design and environmental and social performance;
- To promote and provide means for effective and inclusive engagement with project parties throughout the project life cycle on issues that could potentially affect them;
- To ensure that appropriate project information on environmental and social risks and impacts is disclosed to stakeholders in timely, understandable, accessible and appropriate manner and format;
- To provide project affected parties with accessible and inclusive means to raise issues and grievances and allowance for response and management of grievances.

2 REGULATIONS AND REQUIREMENTS

This section provides the regulations and requirements relevant to the project. The Stakeholder Engagement Plan is prepared in line with World Bank Environmental and Social Framework, Lesotho regulatory framework as well as applicable international best practices.

2.1 SUMMARY OF WORLD BANK ENVIRONMENT AND SOCIAL STANDARDS (ESS)

This section provides a description of the World Bank Environmental and Social Standards. It is important to note that only ESSs 1, 2, 3, 4, 6, and 10 are currently relevant to the Project.

Table 1: Summary of Environmental and Social Standards

Environmental and Social Standards (ESSs)	Description
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).
ESS 2: Labour 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.
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.

Environmental and Social Standards (ESSs)	Description
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.
ESS 5: Land Acquisition, Restrictions on 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.
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.
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.”

Environmental and Social Standards (ESSs)	Description
	For the purposes of this ESS, the term “Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities” includes all such alternative terminology.
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.
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.
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.

2.2 APPLICABLE NATIONAL LEGISLATION

The Stakeholder Engagement Plan is made in line with ESS 10 “Stakeholder Engagement and Information Disclosure”. Stakeholder Engagement is an inclusive process conducted throughout the project life cycle supporting development of strong, constructive and responsive relationships to ensure successful management of all sub projects’ environmental and social risks.

Table 2: National legislation applicable to the project

World Requirement	Bank	Lesotho Legislation	Gaps/Comments
<p>Stakeholder engagement and information disclosure</p> <p>ESS10 sets out that there should be continued engagement and provision of sufficient information to stakeholders throughout the project life cycle</p>	<p>and</p>	<p>Environment Act No.10 of 2008</p> <p>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:</p> <ul style="list-style-type: none"> a) Invite public comments on the environment impact state in general; b) 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; c) - d) Require holding of a public hearing for persons most likely to be affected by the proposed project or activity if it is deemed necessary. <p>Relevance to the project</p> <p>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 ensure in sub project where waste is generated it is disposed of safely ensuring that there is no discharge of any hazardous substances in the environment.</p> <p>It shall also be ensured that all relevant stakeholders are engaged throughout all project stages wherever there is need to do so.</p>	<p>An identified gap is that Act does not cover issues and grievance redress mechanism. It is therefore important to follow WB guidelines when it comes to GRM.</p> <p>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.</p>

3 SUMMARY OF ASSESSMENT OF POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS

Chapter 3 shows the summary of potential environmental and social risks that may be brought by implementation of the project and these are described in detail in the ESMF.

Table 3: General Potential Environmental and Social Risks common to the majority of sub-components

Possible Positive Benefit	Possible Negative Risk
<ul style="list-style-type: none"> • Employment creation; • Skills development; • Economic growth; • Improved livelihoods; • Poverty Reduction; • Gender Integration. 	<ul style="list-style-type: none"> • HIV/AIDS and STDs; • Trafficking in Persons; • COVID-19; • Gender Based Violence (GBV)/Sexual Exploitation Abuse (SEA) Sexual Harassment; • Exclusion of vulnerable groups from project benefits.

Table 4: Potential Risks for Component 1 Activities

Component 1 Sub-components	Potential Impacts
1.1 Enhancing G2B Digital Services	<ul style="list-style-type: none"> • Generation of e-waste; • Generation of waste; • Occupational health and safety.
1.2 Improving Access to Financial Services	<ul style="list-style-type: none"> • There are currently no anticipated downstream risks for this sub-component..
1.3 Improving Resilience of the Private Sector	<ul style="list-style-type: none"> • Positive socio-economic impact in that there will be improved MSMEs recovery from disasters.

Table 5: Potential Risks for Component 2 Activities

Component Activities	Potential Impacts
2.1 Establishing a Digital Entrepreneurship Hub and Seed Financing Facility	<ul style="list-style-type: none"> • There is potential for use of digital infrastructure and facilities which will require repairs, servicing may result in electronic waste (e-waste); • Gender based violence.
2.2 Scaling up LEAP Program for MSMEs	<ul style="list-style-type: none"> • Digitalization implies that there will be purchasing of computer hardware which will ultimately lead to generation of e-waste;

Component Activities	Potential Impacts
	<ul style="list-style-type: none"> • Investment projects which may arise as a result of this sub-component will have to be screened according to the screening checklist which forms part of this ESMF as well as Lesotho Environment Act of 2008;
2.3 Expanding SME Participation in High Potential Value Chains	<ul style="list-style-type: none"> • The potential use of pesticides and fertilizers in horticulture and commercial agriculture will potentially result in the degradation of surface water and groundwater as well as land degradation. This is an indirect impact as the direct benefit of the project is Horticulture Incubation Program; • Activities will involve minor civil works including rehabilitation of already existing factory shells which would lead to: <ul style="list-style-type: none"> ○ Noise and air pollution; ○ Generation of solid and liquid waste, probable loss of plant cover; ○ Increase in occupational and traffic accidents; • Community health and safety risks including exposure and spread of COVID.

Table 6: Potential Risks for Component 3 Activities

Component 3	Potential Risks/Impact
Financing and Capacity Building for the Project Management Unit (PMU) and the Prime Minister Delivery Unit (PDMU)	<ul style="list-style-type: none"> • Generation of e-waste; • Positive impact as this will incorporate capacity building for E&S safeguards implementation and citizen engagement.

4 STAKEHOLDER IDENTIFICATION AND ANALYSIS

Chapter 4 entails stakeholder identification and analysis as well as stakeholder engagement that has already been carried out. Stakeholder engagement is a continuous and interactive process, through which the Implementing Agency identifies, communicates and facilitates two-way dialogue with persons affected by project decisions and activities, as well as with other stakeholders interested in the Project.

4.1 STAKEHOLDER IDENTIFICATION AND ANALYSIS

Stakeholder engagement process includes stakeholder identification and analysis. Relevant stakeholders should be identified before the actual engagement. It is important to identify all groups and individuals who will be affected by the project develop engagement approaches for each group

4.1.1 STAKEHOLDER CATEGORIES

Stakeholders of a project vary based on the details of the project and may include local communities, national and local authorities, neighbouring projects and non-governmental organizations. This section describes stakeholder categories as they have been identified through the ESS10:

1. **Project-affected parties (APs):** Individuals, groups including local communities who are affected or likely to be affected by the Project. These stakeholder may be affected by the project because of actual impacts or potential risks to their physical environment, health, security, cultural practices, well-being, or livelihoods.
2. **Other interested parties (OIPs):** These are individuals, groups or organization who may have interest in the project. The interest may be because of the project location, its characteristics, its impacts, or matters related to public interest. For example, these parties may include regulators, government officials, the private sector, the scientific community, academics, unions, women's organizations, other civil society organizations, and cultural groups.
3. **Disadvantaged or vulnerable individuals or groups (VIG):** Individuals or groups who may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project's benefits. Such are also likely to be excluded from or unable to participate fully in the mainstream consultation process and as such may require specific measures and/or assistance to do so. .

4.1.2 STAKEHOLDER IDENTIFICATION AND ANALYSIS

4.1.2.1 STAKEHOLDER IDENTIFICATION AND CATEGORIZATION

Provided in table 4 is a list of stakeholders identified per each sub-component and their categorization based on ESS 10.

Table 7: Stakeholders identified per sub-component and their categorization

Components	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	<ul style="list-style-type: none"> • 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. 	<p>OIP</p> <p>OIP</p> <p>OIP</p> <p>OIP</p> <p>OIP</p> <p>OIP</p> <p>AP</p>
	1.2 Improving Access to Financial Services	<ul style="list-style-type: none"> • 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 	<p>OIP</p> <p>OIP</p> <p>OIP</p> <p>OIP</p> <p>OIP</p> <p>AP</p>

Components	Sub-component	Stakeholder	Category (AP/OIP/VIG)
	1.3 Strengthening the Resilience of MSMEs to Disasters and Shocks	<ul style="list-style-type: none"> 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. 	<p>OIP</p> <p>OIP</p> <p>OIP</p> <p>OIP</p> <p>OIP</p> <p>OIP</p> <p>AP</p>
Scaling Support for Entrepreneurship and MSMEs	2.1. Establishing an Entrepreneurship Hub and Seed Financing Facility	<ul style="list-style-type: none"> 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 	<p>OIP</p> <p>OIP</p> <p>OIP</p> <p>AP</p> <p>AP</p> <p>AP</p>
	2.2 Scaling the Lesotho Enterprise Assistance Program (LEAP) for MSMEs	<ul style="list-style-type: none"> Ministry of Small Business Development; Basotho Enterprise Development Corporation; Department of Labour; MSMEs. MSMEs led by women and youth 	<p>OIP</p> <p>OIP</p> <p>OIP</p> <p>AP</p> <p>AP</p>

Components	Sub-component	Stakeholder	Category (AP/OIP/VIG)
	2.3 Expanding SME Participation in High Potential Value Chains	<ul style="list-style-type: none"> • Lesotho National Development Corporation; • Department of Labour; • National University of Lesotho; • Stellenbosch University; • SMEs • Local communities 	<p>OIP</p> <p>OIP</p> <p>OIP</p> <p>OIP</p> <p>AP</p> <p>AP and VIG</p>
Project Management Unit Support	Support for the management and implementation of project-associated activities.	<ul style="list-style-type: none"> • 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); 	<p>OIP</p> <p>OIP</p> <p>OIP</p> <p>OIP and VIG</p> <p>OIP and representatives</p> <p>OIP</p> <p>OIP</p> <p>OIP</p> <p>OIP</p> <p>OIP</p> <p>AP</p> <p>VIG</p>

Components	Sub-component	Stakeholder	Category (AP/OIP/VIG)
		<ul style="list-style-type: none"> Representatives other vulnerable groups (Orphans; Children from households below poverty line, Female-led informal businesses) Media. 	<p>AP and VIG representatives</p> <p>VIG representatives</p> <p>OIP</p>

4.1.2.2 STAKEHOLDER NEEDS ASSESSMENT

Table 8: Stakeholder needs assessment

Stakeholder category	Project Affected Parties (PAPs)	Other Interested Parties (OIPs)	Vulnerable Individuals or Groups (VIGs)
Challenges/ Barriers	<ul style="list-style-type: none"> They lack information about the project benefits and risk; Likely to be deprived access to project resources that are of benefit to them; Host populations do not get the monetary benefits of their natural resources. 	<ul style="list-style-type: none"> Lack of project information – benefits and negative impacts. 	<ul style="list-style-type: none"> Lack of access to information; Inequality; Illiteracy; Disabilities which hinder participation.
Mitigation measures	<ul style="list-style-type: none"> PAPs are to be fully informed and consulted; Consultations, participation, information dissemination campaigns and opportunities should be carried out in order to guarantee full disclosure of information to the PAPs; Community level information sharing about the project; Regular meetings. 	<ul style="list-style-type: none"> Effective information disclosure; 	<ul style="list-style-type: none"> Working with civil society groups that work with vulnerable groups such as PLWD, women and youth; Access to project information through appropriate channels

Stakeholder category	Project Affected Parties (PAPs)	Other Interested Parties (OIPs)	Vulnerable Individuals or Groups (VIGs)
Language needs	<ul style="list-style-type: none"> Sesotho and English 	<ul style="list-style-type: none"> English 	<ul style="list-style-type: none"> Sesotho
Specific Needs	<ul style="list-style-type: none"> Pertinent information concerning PAPs at various stages of the project life cycle. 	<ul style="list-style-type: none"> Transparency in sharing project information. 	<ul style="list-style-type: none"> Braille; Sign language; Accessibility of venues;

The project will put in place specific measures to ensure the inclusion of disadvantaged and vulnerable groups, such as women, persons with disabilities, youth, the elderly, the ultra-poor and people from remote/hard to reach areas, and persons who are illiterate. The project will ensure that it provides and seeks feedback from these groups and that members of these groups have equal opportunity to access funding and information, and/or submit grievances. In order to identify and address issues specific to vulnerable groups, stakeholder engagement will use focus group discussions, public gatherings and consultations with NGOs working with vulnerable groups in order to capture special needs of the vulnerable groups. There will also be a need for use of braille and sign language in cases where there is a need to reach people with vision and hearing disabilities. In addition, locations of meetings should enable easy access for the disabled.

4.2 STAKEHOLDER CONSULTATIONS

As part of project preparation, a number of consultations with key private sector organizations and intended project beneficiaries were held. These were held through a series of webinars and in person sessions where possible. Section 4.3.1 highlights meetings which have already been held as part of CAFI project design process while section 4.3.2 highlights consultations which were conducted for the purpose of CAFI E&S risk documentation.

Stakeholder engagement is key to the success of the project and will be ongoing throughout the implementation of the project. Outreach programs including outreaches to MSMEs are therefore incorporated into the design of CAFI and will be financed under component 3 (Project Management and Implementation Support).

4.2.1 COMPETITIVENESS AND FINANCIAL INCLUSION PROJECT DESIGN MEETINGS

This section provides meetings held by PMU with stakeholders during the preparation/design of CAFI. The outcomes of these meetings are summarized below while table 9 presents dates, descriptions and participants of these meetings

Views of stakeholders on CAFI:

Stakeholders discussed problems and identified areas of intervention during the Roundtables, Seminars and Consultative Meetings. These submissions informed the development of the Lesotho Competitiveness and Financial Inclusion Project. The objective of the seminars on Revitalizing Manufacturing Export Sector and Revitalizing Tourism and Hospitality Sector was to specifically to identify the impact of COVID-19 to Lesotho and what needs to be done to revitalize these sectors. The seminars were followed by development of an Action Matrix which was presented to development partners for consideration. The Action Matrix summarized the issues that surfaced in the seminars including what should be done and what kind of assistance will be required from development partners.

Lesotho Rising: Revitalizing Manufacturing Export Sector

The stakeholders expressed their hope to see the project being implemented as presented as it will be able to address the longstanding issues hindering the development of the country. Trade Union representatives approved the proposed intervention as they stated that it will treat workers with dignity and do away with the inhumane treatment, they have endured all these

years. Private sector representatives welcomed the proposed project in that it will help increase participation of locals in global value chains. Garments Manufacturers Association of Lesotho of specifically stated that there is a lot of money to be made in textile industry and the project will go a long way towards ensuring that Basotho participate in global value chains.

Table 9: Competitiveness and Financial Inclusion Project Design Meetings

Date held	Description/Agenda	Participants
11 th February 2021	Manufacturing Sector Revitalization Webinar in collaboration with the Ministry of Trade and Industry, Southern African Trade Hub and World Bank.	Representatives from private sector, diaspora community, civil society, development partners, public sector, academia and media.
12 th May 2021	Tourism and Hospitality Sector Revitalization Webinar in collaboration with the African Development Bank, United Nations World Tourism Organization and World Bank.	Representatives from private sector, diaspora community, civil society, development partners, public sector, academia and media.
17 th June 2021	Private Sector Consultative meeting on the following: <ul style="list-style-type: none"> • SMEs Financing including Agricultural Finance; • Financing of Projects through the Pension Fund; • LNDC Financial Instruments with focus on Partial Credit Scheme. 	One hundred and fifty-seven (157) participants from private sector, diaspora community, civil society, development partners and public sector.
1 st July 2021	Private Sector Consultative meeting on: <ul style="list-style-type: none"> • World Bank Country Partnership Framework for Lesotho; • The Role of Political Risk Insurance in de-risking Private Sector: Multilateral Investment Guarantee Agency (MIGA); • Building the Private Sector: The role of International Finance Corporation (IFC). 	One hundred and fifty-seven (157) participants from private sector, diaspora community, civil society, development partners and public sector.
19 th August 2021	Access to Finance round table which was co-hosted with the Central Bank of Lesotho (CBL).	Four hundred and three (403) participants from private sector, diaspora community, civil society, development partners, public sector, academia and media.
9 th September 2021	Private Sector Consultative meeting on: <ul style="list-style-type: none"> • Overview of getting Credit Indicator; • Security Interest in Moveable Property Law and Collateral Registry; • Credit Information Bureau; 	One hundred and sixty-seven (167) participants from private sector, diaspora community, civil society, development partners, public sector.

Date held	Description/Agenda	Participants
	<ul style="list-style-type: none"> Key Features of the Insolvency Bill. 	
30 th September 2021	Private Sector Consultative meeting on: <ul style="list-style-type: none"> World Bank Country Partnership Framework for Lesotho; Role of Trade in Economic Revitalization; New Private Sector Competitiveness and Financial Inclusion Project. 	One sixty-three (163) participants from private sector, diaspora community, civil society, development partners and public sector
11 th November 2021	Private Sector Consultative meeting on: <ul style="list-style-type: none"> NUL Innovation Hub-Opportunities and lessons learnt; Innovation Hubs and Incubators-North African Experience. 	One sixty-three (163) participants from private sector, diaspora community, civil society, development partners, public sector and academia
24 th November 2021	Lesotho Rising: Webinar on Revitalization of Export Manufacturing Sector.	Ninety-three (93) participants from private sector, diaspora community, civil society, development partners, public sector and academia
26 th January 2022	Export Manufacturing Value Chains.	Participants were drawn from private sector, diaspora community, workers unions, development partners and public sector.
4 th March 2022	Mission wrap meeting providing feedback on PSCED II. Pre-appraisal for CAFI as well as next steps for CAFI.	World Bank mission team, PMU and line ministries.

4.2.2 STAKEHOLDER CONSULTATIONS FOR THE PURPOSE OF E&S RISK 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 Startup Network (LSN);
- Likhothola Fruit Farm;
- Maa-a-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.

DRAFT

5 PROPOSED STAKEHOLDER ENGAGEMENT PLAN

Stakeholder Engagement Plan is essential in guiding and ensuring that adequate stakeholder engagement is carried out throughout the project life cycle. The SEP is in line with the nature and scale of the project as well as its potential environmental and social risks and impacts. SEP identifies all key existing and potential stakeholders and their level of influence in project planning and implementation, timelines and frequency of communication with stakeholders.

SEP also includes a detailed grievance redress mechanism. The grievance redress mechanism is designed for addressing concerns and complaints promptly and in a transparent manner without any implications. The World Bank ESS 10 recognizes the importance of open and transparent engagement as it is one of international best practices. It also requires allowance for all project affected parties and other stakeholders to raise concerns and provide feedback on project related matters which should be addressed in a timely manner.

5.1 STRATEGY FOR STAKEHOLDER ENGAGEMENT

Stakeholders include individuals, groups as well as local communities that are likely to be affected by the environmental and social risks and impacts of the project or those that may have interest in the project. In order to ensure that consultations are relevant and information is readily accessible, there should be timely and advanced engagement aligning with the project life cycle namely: preparation and design phase, implementation phase, monitoring phase, completion and evaluation phase.

5.2 INFORMATION DISCLOSURE

The following Project's and sub-project's information shall be disclosed:

- Project description including components, sub-components and activities;
- Description of sub-projects including activities and locations;
- Selection criteria for beneficiaries;
- Project's E&S documentation including ESMP and SEP;
- Sub-projects E&S documentation including ESMPs.

This information will mainly be shared at the early stages of the project and sub-projects. Major changes in the project and sub-projects designs as well as their associated risks and impacts shall also be disclosed. The information will be presented in document format at the PMU's offices and website as well as relevant line ministries' offices and websites. There will also be

presentations and discussions over scheduled radio and television platforms where Ministry Officials responsible for implementation, management and coordination and coordination of project activities will make presentations about the project as well as the progress update while engaging with the public and answering any arising questions.

PMU and line ministries shall also use the following platforms to reach a wide range of stakeholders who do not have easy access to information. English and/or Sesotho shall be used depending on the target group.

- Newspapers;
- Radio and national television;
- Community gatherings;
- Information centres such as libraries and exhibitions;
- Brochures, posters, nontechnical summary documents and reports;
- Official correspondence and meetings;
- PMU Website and relevant line ministries websites;
- Social media.

Stakeholders shall be allowed an opportunity to make input into the disclosed ESMF and SEP inclusive of the GRM. Feedback from stakeholders shall be reviewed and incorporated accordingly. For the SEP, stakeholders shall make input on the following:

- Accuracy of the list of identified stakeholders;
- The proposed methods of notification and engagement;
- The proposed extent and format of engagement;
- The format and language of information to be provided.

A revised SEP shall be publicly disclosed if significant changes are made to originally disclosed SEP.

5.3 COMMUNICATION STRATEGY

The engagement plan is intended to outline how and when stakeholders can be consulted throughout the course of the project. This shall ensure an ongoing interaction with stakeholders. Stakeholder engagement entails of identification of all key existing and potential stakeholders, their level of influence in the project planning and implementation as well as timelines and frequency of communication with individual stakeholders or other groups. Due to the prevailing COVID-19 pandemic, the stakeholder engagement strategy shall be in line with national laws and

guidelines on control and prevention of COVID-19. There shall also be compliance with World Health Organization (WHO) 2020 guidelines as stipulated in technical note for public consultations and stakeholder engagement in World Bank supported operations when there are constraints on conducting public meetings. Also measures that can be in place for stakeholder engagement methods during Covid-19 restrictions may be online and distant dissemination tools to accommodate the need for social distancing.

DRAFT

Table 10: Proposed Stakeholder Engagement Strategy

Target stakeholders/groups	Engagement methods/Dissemination tools	Description and use	Timing and frequency	Content/Topic	Project Phase
Project partners (PMU/Ministry of Trade, World Bank, Ministry of Finance)	<ul style="list-style-type: none"> • Face to face or online meetings; • Project websites; • Information desks; • Press releases; • Media platforms 	<ul style="list-style-type: none"> • Meetings for planning purposes, implementation and monitoring; • Project partners can get project updates or announcements through websites, meetings or press releases. 	<ul style="list-style-type: none"> • Monthly and quarterly meetings; • Project design; • Design of sub-projects instruments 	<ul style="list-style-type: none"> • Information disclosure; • Project finances; • Coordination amongst project partners; • Project progress feedback; • Technical meetings for project design. 	<ul style="list-style-type: none"> • Design and preparation, Implementation, and monitoring/evaluation phases.
Local communities/General Public including vulnerable groups	<ul style="list-style-type: none"> • Community gathering (Pitso's); • Focus group discussions (FGDs); • Media • Media platforms (TV, Radio, Social media, local newspapers); • Project website; • Use of braille, sign language and venues 	<ul style="list-style-type: none"> • Public gatherings shall be held in project areas for communities or public likely to be affected by the project; • Focus Group Discussions shall be held as part of public consultations so as to get views, comments, or 	<ul style="list-style-type: none"> • The project related information shall always be shared when there is a need. 	<ul style="list-style-type: none"> • Disclosure of project information including benefits and risks • Any issues that are interest of local communities or the general public; • Grievance Redress Mechanism process on project and sub-project 	<ul style="list-style-type: none"> • Project implementation and monitoring/evaluation; • E&S documentation shall also be disclosed during project and sub-projects design and preparation.

Target stakeholders/groups	Engagement methods/Dissemination tools	Description and use	Timing and frequency	Content/Topic	Project Phase
	<p>that are easily accessible for the disabled.</p>	<p>concerns on the project;</p> <ul style="list-style-type: none"> Media platforms shall also be used to disclose some project related information. These platforms include local newspapers, radio, TV or social media for youth or any other groups that may have access to social media. 		<p>related grievances;</p> <ul style="list-style-type: none"> Potential Environmental and Social risks and impacts of the project; Community/ Public health and safety. 	
<p>Policy makers, Government Ministries, Agencies and Departments</p>	<ul style="list-style-type: none"> Meetings; Workshops; Websites. 	<ul style="list-style-type: none"> Project and sub-projects design meetings; Project related information can also be accessed through websites; There shall also be monitoring meetings or workshops when ensuring 	<ul style="list-style-type: none"> Project design; Design of sub-projects instruments; Meetings shall be carried when there is need; Quarterly and annually. 	<ul style="list-style-type: none"> Project concept in order to allow relevant stakeholders to inform and participate in the project design; Compliance with E&S safeguards, national legal framework as well 	<ul style="list-style-type: none"> Project preparation and design, implementation and monitoring/evaluation.

Target stakeholders/groups	Engagement methods/Dissemination tools	Description and use	Timing and frequency	Content/Topic	Project Phase
		compliance with legal framework E&S safeguards and other international best practices.		as international best practice; <ul style="list-style-type: none"> • Project progress. 	
Project Beneficiaries	<ul style="list-style-type: none"> • Workshops/Trainings; • Local newspapers and other media; • Posters and adverts; • Project website. 	<ul style="list-style-type: none"> • The project progress shall be made in reporting; • Capacity building for project beneficiaries through workshops; • Meetings and reports on project progress • Media can be used to announce opportunities to potential beneficiaries. 	<ul style="list-style-type: none"> • Sub-project design; • During development of sub-project instruments; • Monthly meetings and Quarterly meetings 	<ul style="list-style-type: none"> • Capacity building; • Project progress feedback; 	<ul style="list-style-type: none"> • Project implementation and monitoring/evaluation.

5.3.1 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.

6 GRIEVANCE REDRESS MECHANISM (GRM)

6.1 INTRODUCTION

The World Bank requires each and every project to develop a Grievance Redress Mechanism (GRM) in line with ESS 10. The aim of the GRM is to improve accountability to beneficiaries and to provide channels for project stakeholders to provide response or express grievances. By increasing transparency and accountability, the GRM reduces the risk of the project inadvertently affecting citizens or beneficiaries and serves to improve project's impact. The mechanism centers not only on receiving and recording complaints but also on resolving them. While feedback should be handled at the level closest to the complaint, all complaints should be registered and follow the basic procedures set out in this chapter. The World Bank states that GRM procedures should include special guidelines to handle GBV-sexual harassment related complaints and grievances, taking into account their sensitivity. When handling GBV-related issues, the following principles are applied to adequately respond to such cases: confidentiality, survivor-centricity, and survivor safety.

A properly designed GRM can provide a variety of benefits such as lowered corruption, enhanced service delivery, improved overall project effectiveness making the project more responsive, accountable and more effective in achieving development outcomes. GRM is important because it acts as an early warning mechanism that can help teams protect both a project's funds and its reputation as indicated in World Bank, 2017 annual report.

For a GRM to be properly functional, it should be centered on a precise stakeholder engagement plan and meaningful consultations with project affected parties.

6.2 KEY PRINCIPLES OF GRM

In order to identify and address the broad range of obligations giving rise to grievances the following key principles should be in place:

- Any individual or organization must be able submit their grievances at any point in time and no financial cost without fear of reprisals;
- Grievances must be taken seriously and with a fair and respectable manner. Response to complaints must be within seven days;
- Consistency and transparency are key in grievance resolutions. Contractors and third party individuals may be involved in investigations where applicable;
- Information involving grievance investigations shall be documented;

- Personal information of the affected stakeholder shall be confidential;
- The mechanism will not impede access to judicial or administrative remedies.

DRAFT

6.3 GRIEVANCE REDRESS MECHANISM PROCESS

The Grievance Redress Mechanism that was used for the previous project (Lesotho Second Private Sector Competitiveness and Economic Diversification Project II) which has been modified as attached in annexure 9.2 shall be adopted and improved for CAFI. The process as a whole is expected to promote dispute settlement through mediation in order to reduce litigation. The process will be facilitated by the Grievance Redress Committee (GRC) which shall be established to receive complaints, facilitate solutions and communicating the results to all parties involved. The composition of the GRC will differ based on the nature to each sub-project in liaison with and approval by PMU and relevant partner ministry.

The Grievance Redress Mechanism has been summarized as follows:

- Receiving of complaint/grievance and registering by Grievance Redress Committee;
- Treatment of grievance by GRC;
 - Closure of grievance if complainant is satisfied with the decision;
- If not satisfied with the decision, the aggravated party shall resolve the issue with the chief (This step applies to sub-projects within community settings);
 - Closure of grievance by the chief if the complainant is satisfied with the decision;
- If not satisfied, treatment of grievance by PMU through Social and Environmental Specialist and can be elevated to Project Coordinator if the E&S Specialist cannot resolve the grievance;
 - Closure of grievance by PMU if complainant is satisfied with the decision;
- If not satisfied, the complainant will have the option of resolving it with the Honorable Minister of relevant line ministry through the Principal Secretary and the Minister of Trade and Industry through the Principal Secretary;
 - Closure of grievance if the complainant is satisfied with the decision.

There should also be an online GRM system on PIU/CAFI website. The judicial system will be the last resort to redress the issues if informal conciliation does not resolve the matter although this is a costly and time-consuming procedure. However, complainants will be exempted from administrative and legal fees incurred pursuant to this grievance redress procedure.

6.3.1 MANAGING GBV RELATED GRIEVANCES

Engagement of GBV service provider

PMU shall appoint a GBV service provider who will implement SEA/SH Prevention and Response Action Plan (annexed to the ESMF). A GBV service provider must also cover HIV/AIDS support services.

Survivors of SEA/SH also need assistance in relation health services, case management support and legal services, physiological support, police support, security and shelter.

6.3.2 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 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.

6.3.3 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 shall 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.
3. 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.
4. 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 monthly 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.

6.4 LESSONS LEARNED FROM PSCED II GRM

The following are the lessons learnt by the PMU during the stakeholder consultations:

- It is important to bring as many stakeholders as possible on board so as to make the project implementation easier;
- It is also important to engage the community leaders on board so that there is an agreement with them before community engagement can be made. It is normally difficult to get community buy in if there is no leaders' buy in;
- The level of engagement between PMU, the WB and stakeholders such as local municipalities should be improved such that there is harmony in implementing the WB E&S requirements along with the national legislation.

DRAFT

7 IMPLEMENTATION, MONITORING AND REPORTING OF THE SEP

7.1 RESPONSIBILITIES FOR IMPLEMENTATION OF SEP

There shall a dedicated team within the PMU for the management, coordination and implementation of the SEP and its integral tasks. Relevant personnel from partner ministries and sub-projects shall also form part of the implementing team.

The roles and responsibilities of the organizations are presented below.

Project Management Unit

PMU is responsible for preparation and implementation of Lesotho CFI Project. PMU Project Coordinator will work closely with the Environmental and Social Specialist to ensure that the SEP is implemented in a successful manner.

Environmental and Social (E&S) Specialist

E&S Specialist shall be responsible for the management of project related social and environmental issues. The E&S Specialist will oversee all stakeholders' engagement activities regarding the implementation of the GRM as well as other project specific documents. Responsibilities of the ESS shall include the following:

- Implement and monitor stakeholders engagement plan for the project GRM and other project specific documents;
- Liaise with the Project Coordinator, relevant line ministries and sub-projects to ensure that stakeholders engagement requirements are understood;
- Maintain the stakeholder database;
- Proactively identify additional stakeholders, project risks and opportunities and communicate them to the Project Coordinator to ensure that the necessary planning and mitigation.

7.2 MONITORING AND REPORTING

It is recommended that the reporting of SEP is done periodically in order to reflect major changes in project activities. PMU will document, and communicate the progress and results of the project, including monitoring of the SEP. PMU will be responsible for overall compilation of progress and results.

Stakeholder engagement should be monitored and reported by the PMU throughout the entire life cycle of the project and this will involve updates of the stakeholder list; records of all consultations held; and records of all grievances received and dealt with. Monitoring reports for the environmental and social performance of the project will be prepared by the PMU and submitted to the World Bank during quarterly progress meetings throughout the project's life cycle. These reports will include aspects of both stakeholder engagement and grievance management. Table 6 outlines specific SEP indicators relating to Environmental and Social assessments, stakeholder engagement, grievance mechanisms, and monitoring and communication. These indicators will be tracked and reported to the World Bank and other stakeholders through quarterly and annual project and sub-projects reports.

Table 11: Stakeholder Engagement Indicators

Goals	Indicators
Stakeholder Engagement	<ul style="list-style-type: none"> • Availability communication policy for each relevant sub-project; • Communication tools developed for each sub-project. • Number of stakeholders consulted; • Number of meetings and workshops organized; • Number of participants attending stakeholder gatherings segregated according to gender and age groups; • Number of stakeholder groups identified and engaged by the project; • Number of stakeholder feedback; • Stakeholder concerns addressed and communicated.
Grievance Mechanism	<ul style="list-style-type: none"> • Number of complaints received in a specific period (also by age and gender). • Number of SEA/SH grievances reported; • Number of complaints including SEA/SH cases resolved in agreed timelines; • Number of complaints which could not be resolved within the agreed timelines; • Number of cases referred to the Ministry; • Number of cases for litigation.
Monitoring and Reporting	<ul style="list-style-type: none"> • Monitoring and evaluation specialist recruited; • Development and approval of monitoring and evaluation policy; • Project progress reports; • Monitoring and evaluation reports;

7.3 BUDGET FOR STAKEHOLDER ENGAGEMENT PLAN

Stakeholder engagement is one of the cross cutting considerations for all components of the project. There are a number of outreach and engagement programs which are necessary to be implemented for the success of the project. It is therefore important that adequate financial resources as well as personnel are allowed for in the project. Stakeholder engagement and outreach programs will be financed under component 3 of the project (Project Management and Implementation support). Financing of the SEP is allocated as follows for the entire project duration:

- US\$ 300 000– Stakeholder Engagement Outreach activities;
- US\$ 200 000– Grievance Redress Mechanism maintenance.

DRAFT

8 BIBLIOGRAPHY

1. Damane, M. and Sekantsi, L., 2018. The Sources of Unemployment in Lesotho. *Modern Economy*, [online] 09(05), pp.937-965. Available at: < <https://www.scirp.org/journal/paperinformation.aspx?paperid=84511> > [Accessed 10 February 2022].
2. Dhai, A., 2012. *Vulnerable Groups*. [ebook] Cape Town: Steve Biko: Centre of Bioethics. Available at: < https://www.wma.net/wp-content/uploads/2017/01/DoH_Dec_Presentation_2012_Vulnerable.pdf > [Accessed 16 February 2022].
3. Ganson, B. (2016). *Company – Community Mediation: Application of Standards*. Africa Centre for Dispute Settlement Working Paper Series 2016/3. (Africa Centre for Dispute Settlement: Cape Town)
4. Gisclard-Biondi, H., 2021. *How to Create a Stakeholder Engagement Plan in 5 Steps*. [online] appvizer.co.uk. Available at: < <https://www.appvizer.co.uk/magazine/operations/project-management/stakeholder-engagement-plan> > [Accessed 8 February 2022].
5. Jaansoo A., (2019). Methodology for Stakeholder Engagement within the project inter ventures. European Regional Development Fund.
6. Kanade, Y., 2019. Engagement of interested parties with business organization. [online] LinkedIn.com. Available at: < <https://www.linkedin.com/pulse/engagement-interested-parties-business-organization-yashodhan-kanade> > [Accessed 14 February 2022].
7. The World Bank, 2017. *Grievance Redress Service: Annual Report*. [ebook] Available at: < <https://thedocs.worldbank.org/en/doc/143681536776465592-0290022018/original/GRS2017AnnualReport.pdf> > [Accessed 22 February 2022].
8. UNCTAD (2019). World Bank. Responsible Agricultural Investment Database. Knowledge into Action Notes. Available at: www.worldbank.org/responsibleinvestment
9. World Bank, (2018). Environmental and Social Framework for IPF operations: ESS10 stakeholder engagement and information disclosure guidance note for Borrowers.
10. World Bank. (2018) *Environmental and social framework for IPF, ESS10: Stakeholder engagement and information Disclosure*, Guidance Note.
11. World Bank. 2014. Global Review of Grievance Redress Mechanisms in World Bank Projects. Washington, DC. © World Bank.

9 ANNEXURES

9.1 FEEDBACK FROM STAKEHOLDER CONSULTATIONS CONDUCTED FOR THE PURPOSE OF E&S RISK DOCUMENTATION

Table 12: Summary of comments from stakeholder consultations

Stakeholder Group	Organization	Name & Surname	Stakeholder designation	Summary of discussion and comments with stakeholders
Government Ministry/Department	Department of Trade	Mrs. Mary Motebang	Director of Trade	<p>One of the priorities of the Department is to create linkages between entrepreneurs and larger businesses as well as with multinational markets. The focus is to facilitate market access and product development for products that are being produced in the country and those that have potential. The department therefore requested that the linkages aspect which was implemented under PSCEDP II should be continued in the upcoming Lesotho Competitiveness and Financial Inclusion project.</p> <p>The Department has prioritized sectors according to National Strategic Development Plan (NSDP) II. These sectors include horticulture and PPP – textiles and clothing and essential goods. For instance, the Department trained sanitizer producers to be WHO compliant. The focus is currently to move to market access and products that are already available or have potential.</p> <p>The Department is concerned about environmental sustainability in production. For instance, it is encouraged that there be production of</p>

Stakeholder Group	Organization	Name & Surname	Stakeholder designation	Summary of discussion and comments with stakeholders
				<p>fabric masks in order to limit the use of disposable masks. SMEs are also encouraged to make reusable shopping bags so that they can be sourced locally although the required machinery for this activity is very costly.</p> <p>Expectations with the new project</p> <ul style="list-style-type: none"> • Contribution to National Trade Policy; • Strategy to tap into export markets, horticulture, textiles, and light industries. <p>The Department aims to work together with other stakeholders to achieve the above. Horticulture already has a number of funders such as Smallholder Agricultural Development Project (SADP) which facilitate transition from conventional farming methods.</p> <p>Recommendations:</p> <ul style="list-style-type: none"> • Provision of proper facilities (including sanitation) for informal market. Linkages will ensure that products which do reach formal markets due to them being lower grades should be taken to informal markets. Informal markets should be made in such a way that they are welcoming to customers and they should be hygienic. Wifi facilities may also be provided to these markets;

Stakeholder Group	Organization	Name & Surname	Stakeholder designation	Summary of discussion and comments with stakeholders
				<ul style="list-style-type: none"> • There should be proper waste management at informal markets located close to factory shells; • Private sector involvement is very important; • There should be specific support for specific markets. For instance farmers should be assisted with Global Good Agricultural Practice (GAP) certification; • It is also important to identify relevant studies that have already been made to avoid duplication; • It is important to not only support production but also other requirements such as trade promotion, and market studies.
Beneficiary from PSCED II	Mahobong Orchard – Likhothola Fruits Maoa-mafumelu Fruits	Mr. Thabo Qhalehang	Farm manager	<p>Phase I – Likhothola Fruits</p> <p>The farm owners are shareholders and they receive an annual livelihood monetary support since 2012.</p> <p>PSC has handed over the project to shareholders such that Likhothola now pays its own workers’ livelihood support for phase I.</p> <p>Fruits produced by the establishment include:</p> <ul style="list-style-type: none"> • Plums in two varieties • Peach in two varieties

Stakeholder Group	Organization	Name & Surname	Stakeholder designation	Summary of discussion and comments with stakeholders
				<ul style="list-style-type: none"> • Apricot one variety • Apples in four varieties <p>Number of Employees: 18</p> <p>Phase II – Maoa-mafubelu Fruits Farm (15.6 hectares) which produces seven apple varieties.</p> <p>Both Phase I and Phase II comply with Global GAP (Good Agricultural Practices) requirements, to ensure that products are accepted both locally and internationally. Therefore, the farms act in accordance with the Global GAP requirements including labour safety, hygiene and handling of equipment. Training programs are held based on every stage of the process, for instance harvesting. Training sessions are held by supervisors, managers and horticulturalists.</p> <p>There was no separate environmental and social documentation required apart from what is required by Global GAP.</p> <p>Number of employees: 24</p> <p>Use of Pesticides: Different pesticides are used for different fruits and the acting period is considered so that production is not affected.</p> <p>Use of Fertilizers: mostly inorganic fertilizers are used, which come with Material Safety Data Sheet (MSDS) leaflets for safety measures and side effects. Liquid and powder fertilizers are applied once a year</p>

Stakeholder Group	Organization	Name & Surname	Stakeholder designation	Summary of discussion and comments with stakeholders
				<p>during the sleeping period. For trees already bearing fruits, fertilizers increase the size of the fruit produced.</p> <p>Stakeholder Engagement: Chiefs were engaged as major shareholders which made communities feel safe to participate in the project.</p>
	Lekhetlane Fruits Farm (2015)	Mr. Monaheng Taoana	Farm manager	<p>This project is now partly supported by PSC through employees' salaries, while the farm handles other expenses. The establishment complies with the Global GAP certification.</p> <p>The irrigation system used extracts water from the nearby dam. The proximity of the water source minimizes the cost of drawing it out afar, even in a dry season.</p> <p>Global GAP safety measures are practiced throughout the project and personnel is trained on different aspects such as first aid. Warning flags are used to alert people of chemicals usage. Rat baits are used in the vicinity of the pack house to avoid food contamination and destruction of equipment.</p> <p>Activities (Knowing typical activities is important for identifying potential project E&S impacts):</p> <ul style="list-style-type: none"> • Thinning; • Watering or irrigation; • Budding and flowering;

Stakeholder Group	Organization	Name & Surname	Stakeholder designation	Summary of discussion and comments with stakeholders
				<ul style="list-style-type: none"> • Harvesting; • Classing and packaging.
Government Departments	Department of Tourism	Ms. Mabolaoane Selinyane	Director of Tourism – Tourism	<p>Lessons learned from previous projects</p> <p>Lessons learned from World Bank funded construction projects (e.g construction of Tourism Information and Craft Centre under PSCED II) is the importance of monitoring the implementation of E&S safeguards. Another lesson is to ensure that social benefits of the project are attained such that community members should not be left in a worse state after the implementation of the project. Engagement of relevant stakeholders (including relevant government authorities and stakeholders within the proximity of the project site) in the early stages of the project is also key to the success of the project.</p> <p>Recommendations:</p> <ul style="list-style-type: none"> • Implement the establishment of tourism and hospitality facility (school) under AfDB (African Development Bank); • Improve level of engagement between stakeholders including the World Bank, PMU and other relevant stakeholder such as local municipalities. Conflict over the carwash issue showed unhealthy interactions of stakeholders.

Stakeholder Group	Organization	Name & Surname	Stakeholder designation	Summary of discussion and comments with stakeholders
Government Institution	Department of Culture	Ms Nthabiseng Sennane		<p>The crafts sector benefitted from the previous project (PSCED II) through capacity building on production development, pricing and market research. There was also product diversification which made exporting easy.</p> <p>Recommendations:</p> <ul style="list-style-type: none"> • It is important to increase capacity of production in order to satisfy both local and international markets; • Working with regional markets to minimize costs as compared to international markets; • There is a need to formalize the crafts sector in order to strengthen the value chain; • In terms of E&S, there is a committee on conservation made up of a number of government departments and its activities include prevention of overharvesting.
Government Institution	Department of Environment	Ms. Mammeli Makhate	Senior Environment officer	<p>The Department will appreciate being informed about the details of the sub-components once they have been finalized. It will also be important for the screening checklist that will be incorporated into the ESMF so that the Department can make input where necessary.</p> <p>Capacity building for DoE is important as the EIA section is currently short-staffed.</p>

Stakeholder Group	Organization	Name & Surname	Stakeholder designation	Summary of discussion and comments with stakeholders
Authority	Lesotho Revenue Authority (LRA)	Ms. 'Manyane Toloane	Project Management Specialist	<p>LRA is part of the beneficiaries of PSCED II in that funding was provided for upgrading the Lesotho National Single Window ASYCUDA which is an Automated System for Customs Data for international trade and transport operations.</p> <p>These ASYCUDA modules are almost complete and the focus is currently on the Lesotho National Single Window. LRA is satisfied with the level of stakeholder engagement in PSCED II and would recommend the same approach to be implemented going forward.</p>
Government Institution	Ministry of Agriculture and Food Security (MoAFS)	Ms. Mats'epo Khunong	Principal Crop Production Officer	<p>The following E&S requirements were vital during the implementation of PSCED II in relation to Horticulture:</p> <ul style="list-style-type: none"> • Conflict management; • Information dissemination; • Disputes resolution; • Grievance redress mechanism. <p>The ministry was provided with training on the above and beneficiaries such as orchard owners in turn received training.</p> <p>There are no environmental officers in the ministry except those appointed under funded projects such as Agricultural Productivity Program for Southern Africa (APPSA) and SADP.</p>

Stakeholder Group	Organization	Name & Surname	Stakeholder designation	Summary of discussion and comments with stakeholders
				<p>Lessons learnt:</p> <ul style="list-style-type: none"> • There is a need for land classification zoning based on land use planning; • Waste management – there was need for waste disposal facilities to minimize burning; • Incorporation of agriculture in the Labour legislation is quite unclear as there are no clear rates for farm workers under the Labour code. • There should be clear standards for control of the use of water resources as some farmers may extracted water from wetlands. <p>Recommendations</p> <ul style="list-style-type: none"> • There may be a need to provide incentives for civil servants who are engaged in the project and have to perform other duties outside of their normal duties.
Authority	Maseru City Council (MCC)	Ms. Ntšepeng Tšita-Tikiso	Director of planning	<ul style="list-style-type: none"> • MCC benefitted from the previous project through one stop business facilitation and the process of construction permitting has been streamlined. <p>In terms of capacity to handle E&S issues, the Department of Health within MCC handles public health while Community Development within Planning Department deals with community disputes. MCC also</p>

Stakeholder Group	Organization	Name & Surname	Stakeholder designation	Summary of discussion and comments with stakeholders
				<p>works with Department of Environment under MTEC where necessary but there is still a need to engage environmental management personnel within MCC.</p> <p>Lessons learnt</p> <ul style="list-style-type: none"> • There was a need for review of legislation as the current one is outdated. There were however challenges on which ministry or department within local government should host the new legislation; • There is need to work hand in hand with other stakeholders and not to overlook their concerns. For instance, feasibility study developer is required to present the concept to determine feasibility before ESIA and traffic study are made; • There is a need for coordination between ministries so that initiatives are integrated. <p>Relevant legislation</p> <p>There is need for review pf the following laws:</p> <ul style="list-style-type: none"> • Local Government Act of 1997; • Town and Country Planning Act of 1980.

Stakeholder Group	Organization	Name & Surname	Stakeholder designation	Summary of discussion and comments with stakeholders
Parastatal	LNDC	Mr. Semethe Raleche	General Manager, Development Finance	<p>The Corporation has an obligation to ensure that projects comply with the Environmental Act of 2008.</p> <p>Lessons learnt from previous projects (not necessarily funded by the WB):</p> <ul style="list-style-type: none"> • Not much attention was not paid to Environmental and Social aspects. LNDC is therefore reconfiguring property development section so that new projects demonstrate compliance with environmental requirements; • Potential tenants, are guided on relevant regulations that they need to comply with including labour relations also in compliance with ILO requirements • There is also an investment after care division which helps investors to comply with relevant legislation and international requirements; • All LNDC construction projects are required to undergo an EIA process during project preparation. <p>Challenges/Gaps experienced in previous projects not necessarily funded by the WB:</p> <ul style="list-style-type: none"> • Manufacturing processes which pollute the environment beyond the expectations of the investor;

Stakeholder Group	Organization	Name & Surname	Stakeholder designation	Summary of discussion and comments with stakeholders
				<ul style="list-style-type: none"> Existing infrastructure which does have facilities that enable environmental compliance. For instance, designs of factory shells which do not incorporate solid, liquid and gaseous waste therefore making it difficult for investors to comply; In some cases, stakeholders were not engaged adequately, for certain activities which required compensations or had a potential impact on private properties. In this regard, LNDC realized a need to develop a policy.
	BEDCO	Mr. Thabiso Sebakiso	Head Enterprise Development	<p>Lessons learned from previous projects</p> <ul style="list-style-type: none"> Access to water has been a major challenge to other the agriculture related projects; Workers are sometimes paid below the minimum wages but BEDCO does not intervene since entrepreneurs cannot afford to pay them; Operational costs are normally not adequately determined during the development of business plan. Entrepreneurs do not realize the anticipated profits and are therefore forced to focus on other means of gaining a living thereby compromising the continuity of their business ventures; There are sometimes strained relationships between BEDCO and PMUs since BEDCO knows what may work best but PMU/funder representative would insist on what they perceive to work better; Projects under BEDCO have to comply with environmental and health and safety regulations hence entrepreneurs are advised to comply;

Stakeholder Group	Organization	Name & Surname	Stakeholder designation	Summary of discussion and comments with stakeholders
				<ul style="list-style-type: none"> It is important to note that there are no Safety, Health and Environment (SHE) personnel within BEDCO hence a need for capacity development in this regard.
	Small Business	Dr. William Soole	Director	<p>Challenges</p> <ul style="list-style-type: none"> Small businesses are normally not familiar with relevant E&S as well as national labour legislation. There is a need for updated information on MSMEs in order to inform decision making. Currently, the data that is being used on MSMEs is obtained from studies which were conducted in 2016; There is also a need to develop and implement a strategy to aid businesses to graduate from micro to small and small to medium and so on; Access to finances and markets is one of the greatest challenges for the MSMEs; In terms of labour, it is important to ensure decent working conditions for everyone even for the informal sector. Different government departments responsible for regulating environmental and health and safety requirements should work closely with the Ministry of Small Business and Cooperatives in order to ensure that MSMEs comply with such requirements.
	Lesotho Start-up Network (LSN)	Mrs. Ntšepeng Tšita-Tikiso	Representative	Main objective for the hub is to link all SMEs so that they cross pollinate, since others are service providers while others are recipients. The organization has however not started operating as it

Stakeholder Group	Organization	Name & Surname	Stakeholder designation	Summary of discussion and comments with stakeholders
				still trying to secure funding and put in place a proper organizational structure.
Parastatal	Lesotho Tourism Development Corporation (LTDC)	Ms. Mamello Morojele	Head - Product Development & Investment Promotions	<p>The mandate of LTDC is to develop and market Lesotho tourism. The organization would therefore appreciate if the component of marketing is included in the support by the project.</p> <p>One of the challenges experienced in relation to labour is that labour in the hospitality industry is overexploited. Labourers often work for very long and odd hours and staff housing is normally inadequate and inappropriate. There is therefore a very high staff turnover due to not paying attention to issues of labour requirements and this affects the facilities grading. Workers in the hospitality industry are also normally not paid proper industry rates. Licensing requirements should therefore clearly spell these issues out.</p> <p>In terms of environmental issues – sewer systems are a challenge as some of facilities are in areas not serviced with sewer lines. Responsible departments such as the Department of Environment should therefore monitor such issues.</p> <p>Solid waste management is a challenge. Local governments have to have structures to manage dumping sites. Hospitality facilities are encouraged to segregate waste but there are no facilities that support waste segregation in terms of storage and disposal.</p>

9.2 GRIEVANCE REDRESS MECHANISM LESOTHO SECOND PRIVATE SECTOR COMPETITIVENESS AND ECONOMIC DIVERSIFICATION PROJECT

Introduction

In the event that grievances arise, the redress mechanism that was used in PSCED II shall be applied.. The grievance procedure will be disclosed and further be made available to the affected persons throughout the project implementation.

From the start, it should be understood that the formal legal mechanism for grievance resolution tends to be a lengthy, costly and acrimonious procedure. Hence non-judicial, dialogue-based approaches for preventing and addressing community grievances are advocated.

The Grievance mechanism designed herewith has the objective of solving disputes at the earliest possible time, which is in the interest of all parties concerned. It thus implicitly discourages referring such matters to the law courts for resolution, which would take a considerably longer time.

Grievance Redress Process

There is no ideal model or one-size-fits-all approach to grievance resolution. The best solutions to conflicts are generally achieved through localized mechanisms that take account of the specific issues, cultural context, local customs, and project conditions and scale. The Grievance Redress process is expected to be facilitated by the Grievance Redress Committee.

Grievance Redress Committee

The Grievance Redress Committee (GRC) shall be established to hear complaints and facilitate solutions and the process as a whole is expected to promote dispute settlement through mediation to reduce litigation.

The main functions of GRC are as follows:

- Receiving and registering complaints;
- Screening and assessing the complaint;
- Formulating a response;
- Selecting a resolution approach;
- Implementing the approach;

- Announcing the result;
- Tracking and evaluating the results;
- Communicate back the results to all parties involved;
- Preparing a timely report to management on the nature and resolution of grievances.

Composition of GRC for non-agricultural sub-projects:

- Sub-project manager;
- Representative from relevant line ministry;
- Area chief (for sub-projects within communities);
- Community councilor (for sub-projects within communities);
- Two ordinary members from the general public;
- Two members from relevant stakeholder/stakeholder group e.g MSMEs;
- GBV service provider (who shall participate in cases of SEA/SH).

For agricultural projects, the Grievance Redress Committee shall be constituted by the following:

Composition of GRC

- 1) Area Chief
- 2) Community Councilor
- 3) Area Agricultural Extension Officer
- 4) Area Land Physical Planner
- 5) Two members from the stakeholders/shareholders group
- 6) Two ordinary members from the public
- 7) Farm Manager

As the first point of contact for resolving grievances, a compliant desk to collate petitions, complaints from aggrieved parties should be established at the sub-project office manned by the Manager. She/he shall refer all the issues to the committee which will ensure that appropriate channels of resolution of such grievances are reached with a view to resolving the issues. Upon assessment of such grievances, the grievances can be resolved at that level.

If this fails the community council will intervene in resolving the grievance (This shall apply to sub-projects based within communities).

If not resolved, the E&S Specialist and the PMU who will liaise with the GRC will deal with the issues of grievance.

If this fails, aggrieved party will have the option of resolving the issues with the Project Coordinator of PMU. If the Project Coordinator is not able to resolve it then the Honorable Minister of relevant line ministry the Principal Secretary and the Minister of Trade and Industry through his/her Principal Secretary will try to resolve the issue that is contentious.

The judicial system will be the last resort to redress the issues if informal conciliation does not resolve the matter. This, admittedly is a costly and time-consuming procedure. Nevertheless, affected persons will be exempted from administrative and legal fees incurred pursuant to this grievance redress procedure.

Expectation When Grievances Arise

When complainants present a grievance, they expect to be heard and taken seriously. Therefore, the PMU and others such as the sub-project managers involved in one aspect of the project or other must convince people that they can voice grievances and work to resolve them without retaliation.

It should be understood that all or any of the following are at the least expected from the project management/channel of grievance resolution by the local people:

- Acknowledgement of their problem;
- An honest response to questions/issues brought forward;
- An apology, adequate compensation;
- Modification of the conduct that caused the grievance and some other fair remedies.

Management of Reported Grievances

The procedure for managing grievances should be as follows:

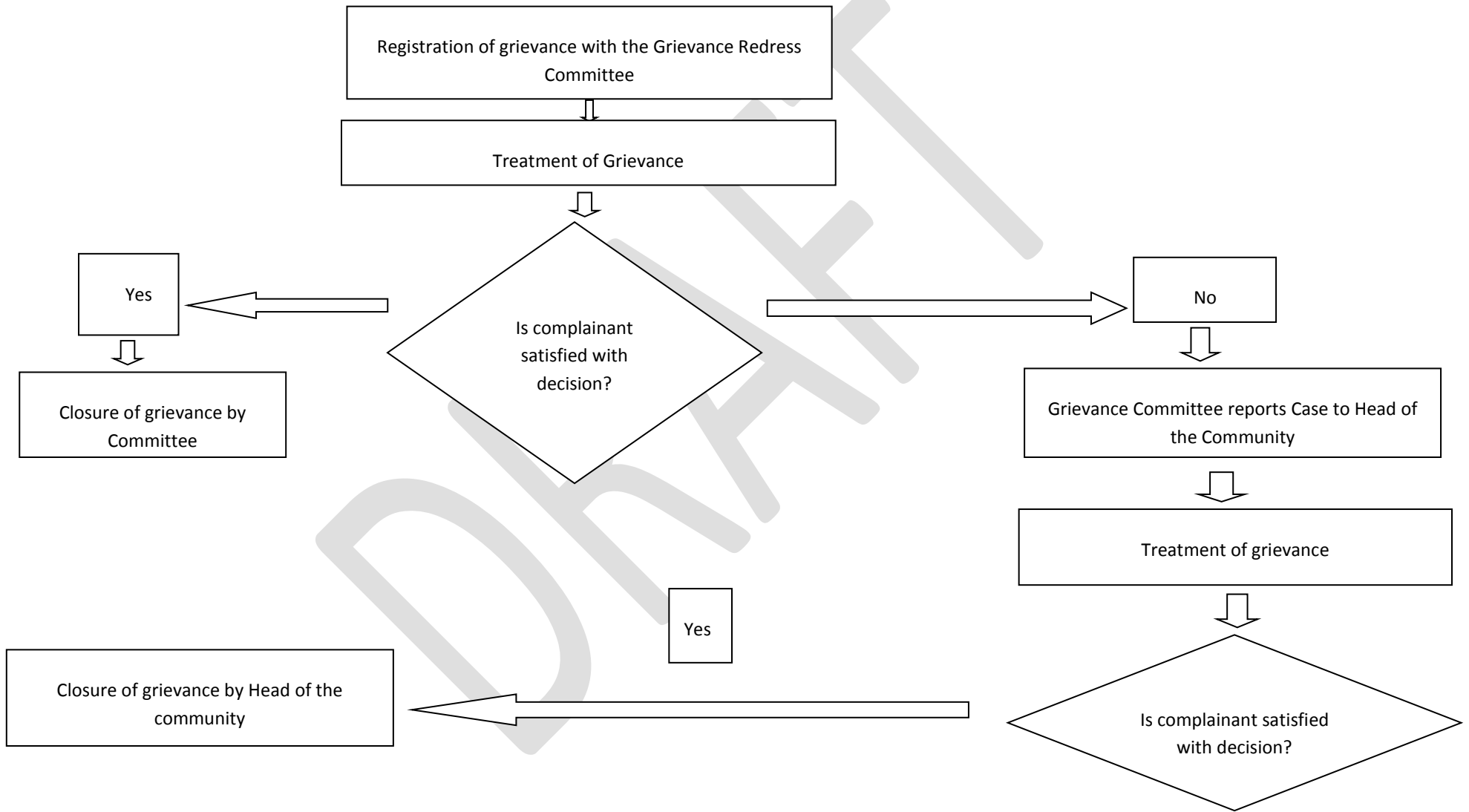
The affected person files his/ her grievance, relating to any issue associated with the shareholding process or livelihood measures, in writing or phone to the project grievance redress committee (Phone numbers will be provided). Where it is written, the grievance note should be signed and dated by the aggrieved person. Where it is phone, the receiver should document every detail.

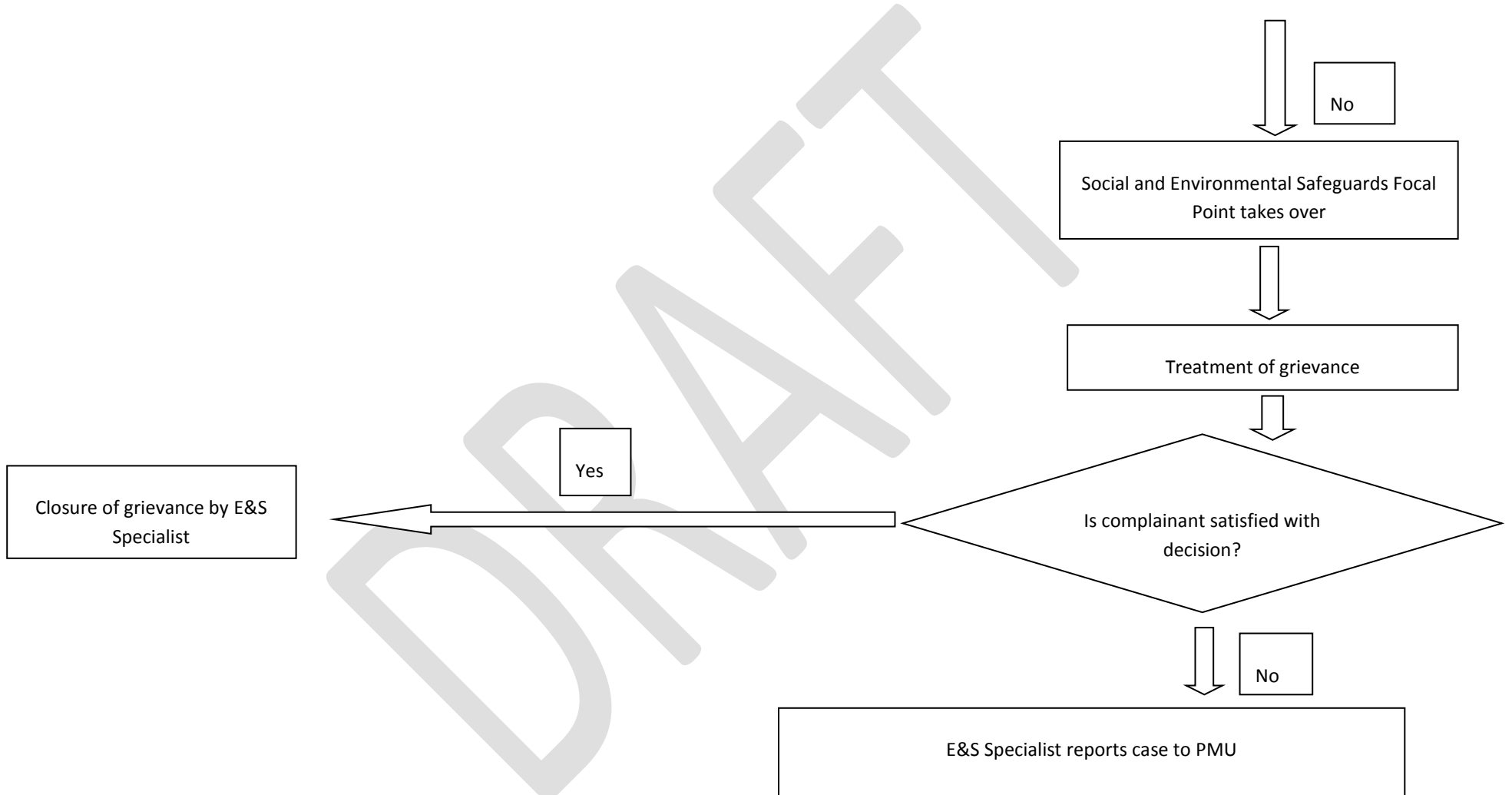
A selected member of the GRC which in this case is the farm manager will act as the Project Liaison Officer who will be the direct liaison with the farmer/aggrieved person.

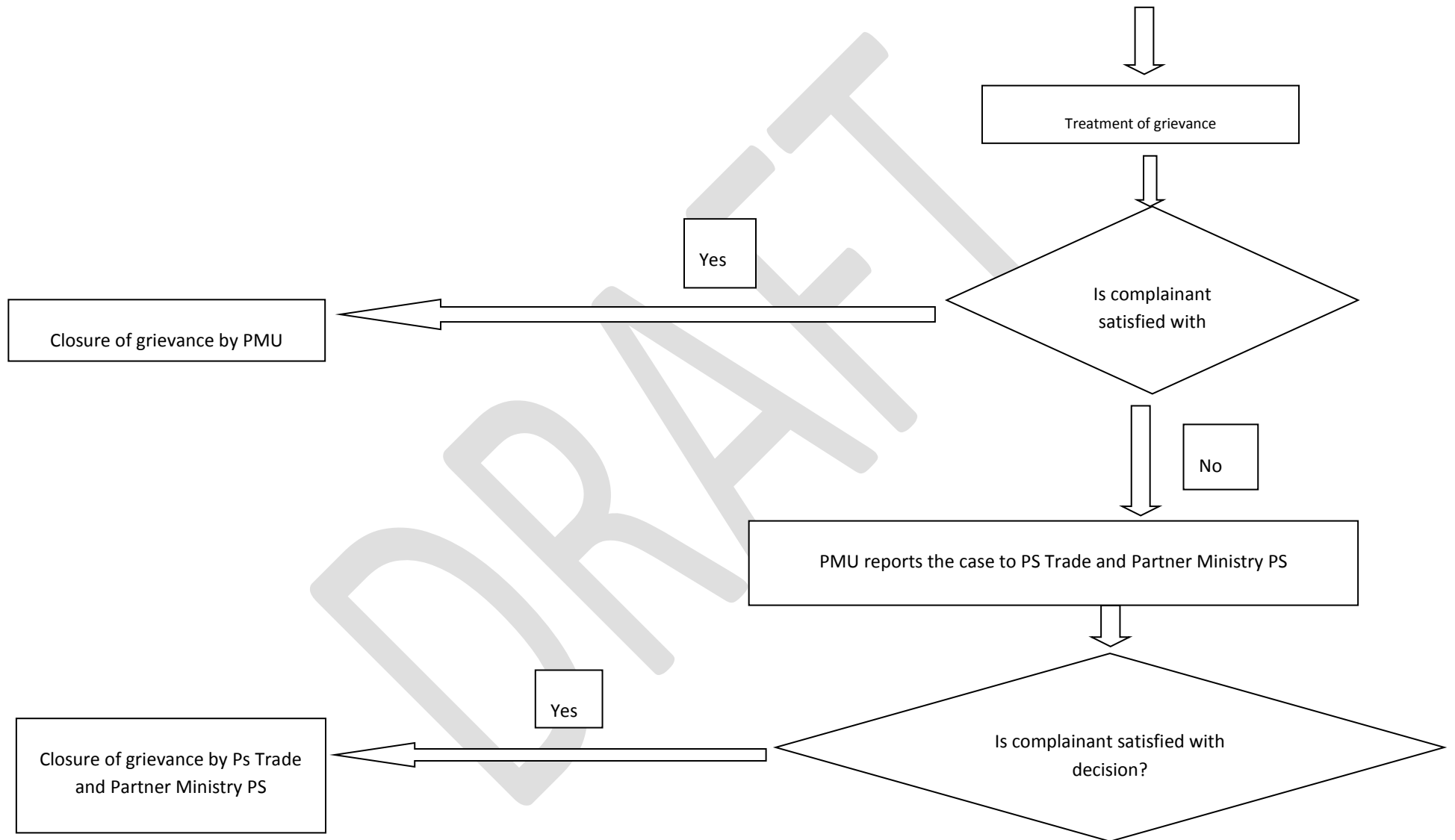
Where the affected person is unable to write, the Sub-project manager/Project Liaison Officer will write the note on the aggrieved person's behalf.

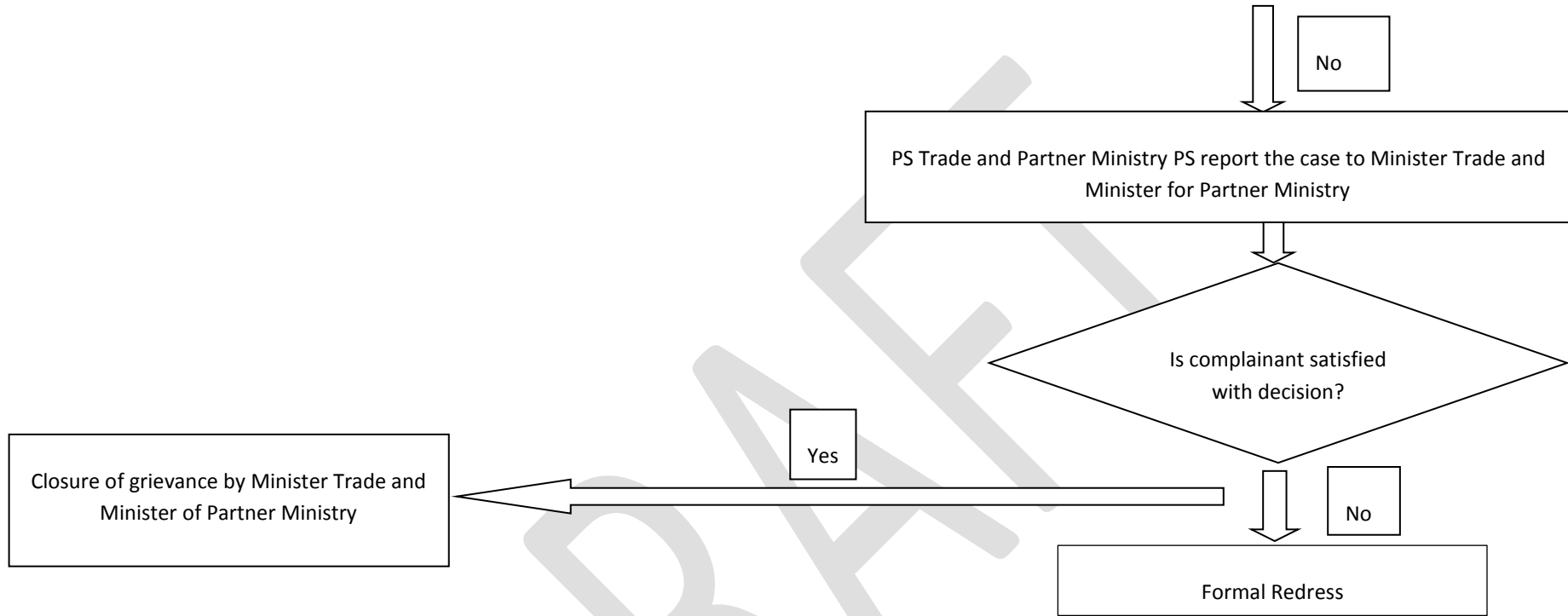
Any informal grievances will also be documented

DRAFT









Flow Chart for Grievance Redress Steps

Grievance Log and Response Time

The process of grievance redress will start with registration of the grievance/s to be addressed, for reference purposes and to enable progress updates of the cases. Thus a Grievance Form will be filed with the Grievance Redress Committee by the person affected by the project. The Form/Log (Table) should contain a record of the person responsible for an individual complaint and records dates for the date the complaint was reported; date the Grievance Log was shared with the GRC; date information on proposed corrective action sent to complainant (if appropriate), the date the complaint was closed out and the date response was sent to complainant. The PMU will ensure that each complaint has an individual reference number, and is appropriately tracked and recorded actions are completed.

The response time will depend on the issue to be addressed but it should be addressed with efficiency. The Grievance committee will act on it within 10 working days of receipt of grievances. If no amicable solution is reached, or the affected person does not receive a response within 15 working days, the affected person can appeal to a designated officer in the PMU, which should act on the grievance within 15 working days of its filing.

A Typical Reporting Format for Grievance Redress

Subproject name Name & Name of Complainant	Type of Grievance					Grievance Resolution			
	Description of the grievance	How the complainant wants the matter to be	Corrective action to be	Resolution on case presented/grievance	other	Date of complaint	Date received	Pending	Case referred to the Court
Sub-project name									
Complainant A									
Complainant B									
Complainant C									
TOTAL									

Monitoring Complaints

The E&S Specialist will be responsible for:

- Providing the PMU with a quarterly report detailing the number and status of complaints. There should however be notifications within 48 hours to the PMU and within 12 hours notification in case of SEA/SH complaints;
- Any outstanding issues to be addressed;
- Monthly reports, including analysis of the type of complaints, levels of complaints, actions to reduce complaints and initiator of such action;
- Reporting to the World Bank.

DRAFT

DRAFT