

Environment and Social Management Plan (DRAFT)

Lesotho Private Sector Competitiveness and Economic Diversification Project
(P088544-IDA Credit 4275-LSO, Grant H281-LSO)

1.0 Introduction

The report outlines the Environmental and Social Management Plan (ESMP) for the Private Sector Competitiveness Project (PSCP). The ESMP provides the operational guidelines for mitigation and tracking of expected environmental and social project impacts. The Project Management Unit (PMU) has the overall responsibility for the implementation of the actions required under this plan.

The Project Development Objective (PDO) of the PSCP is to facilitate increased private sector investment by improving the business environment and diversifying sources of growth. The Project comprises three components: 1) Improving the Business Environment, 2) Supporting Economic Diversification, and 3) Project Implementation Support. Project activities under Component 1 support the implementation of agreed policy measures aimed at reducing the cost of doing business. Activities under Component 2 support building capacity of the private sector by strengthening linkages with the regional economy and access to skills while improving firm level productivity. Sub-components are listed in Table 1 below.

Table 1: PSCP Components and Subcomponents

Component 1: Improving the Business Environment

- 1A Company registration and licensing reform
- 1B Immigration and passport service reform
- 1C Improving access to finance

Component 2: Supporting Economic Diversification

- 2A Skill development for the garment industry
- 2B Horticulture out-grower scheme
- 2C Tourism industry support
- 2D Lesotho Enterprise Assistance Program (LEAP)

Component 3: Project Implementation Support

- 3A Project Management Unit (PMU)
- 3B LEAP management

The ESMP was undertaken as a desk study based on a prior ESMP draft and relevant project documents, with input provided by the project team.

2.0 Scope and Objective

The ESMP seeks to establish clear procedures, methodologies and responsibilities to address identified environmental and social issues. The Plan provides a strategy for two subcomponents: skill development for the garment industry (2A) and horticulture out-grower scheme (2B).

The Project Appraisal Document (PAD) identified no social impact from the project. The ESMP therefore identifies social issues in order to properly monitor social aspects and document the expected positive linkages. Environmental issues under the ESMP are largely based on the Environmental Impact Assessment (EIA) prepared for the project. The additional identification of issues under the ESMP will enable the project team and GoL to better manage information on social linkages and ensure that project investments produce the desired impact. The monitoring of social and environmental linkages will produce data that can feed into future policy prioritization and project design.

The PSCP has been restructured and extended through 2013.

2.1 Skill Development for the Garment Industry

The skill development component provides assistance to establish and implement two industry-led skills development centres based in Maseru and Maputsoe, aiming to enhance the competitiveness of the textile and garment industries in Lesotho. The project initially sought to increase the average task efficiency of trainees to address the issue of low labour productivity. In addition to productivity, the project sought to reduce worker turnover and absenteeism – and increase the number of Basotho supervisors.¹ At project inception, there was a significant mismatch between skill training and industry needs resulting in few students ensuring jobs in the garment industry.

As part of the restructuring a public private partnership (PPP) advisor conducted a due diligence and needs assessment study. Based on the study's recommendations, the Government of Lesotho (GoL) is inviting technical and financial proposals from potential private sector partners. GoL expects negotiations with a preferred candidate to be complete by February 2012 and a partnership agreement in March 2012. In preparation of preparing this partnership agreement the skills centres will undergo a second round of refurbishment. The ESMP thus provides a description of expected impact and linkages, specifically focusing on expected changes proposed under the PPP proposal and the refurbishment. Under the restructuring of the project, the project indicators have shifted from increase efficacy, to improved placement and launch of the PPP, see table 2.

¹At project initiation, expatriates provided almost all technical and middle level supervisory and management skills. Expatriates held an estimated 1,000 positions.

Table 2: Project Indicators for Skill Development for the Garment Industry

Original indicator	New indicator ²	Data source/ responsibility
Average task efficiency per operator (number of pieces/worker/day) increased from 12 to 24 by project end	Percentage of trainees placed from the training centre increase to 95% by project end	M&E/PMU
Average floor rejection/rework rate reduced from 30% to 15% by project end	Successful PPP model established for the training centres	Survey/PMU

2.2 Horticulture Out-Grower Scheme

The horticulture component seeks to add value to horticultural products grown in Lesotho. Initially the project provided support for vegetable and tree crop production, but under the restructured project, the project is focused on tree crops. The intermediate outcome sought was increased export and income among participating farmers. The horticulture out grower scheme is managed in partnership with a private partner, Denmark Estates. The current action plan has three objectives: 1) exporting fruits from the pilot sites, 2) targeted rollout of the pilot activities in the surrounding villages, and 3) the introduction of investment in the agriculture sector by potential producers and processors.

Under the restructuring the project focuses on the second objective; a targeted rollout of pilot activities in one village but the indicators remain unchanged, see table 3.

Table 3: Project Indicators for the Horticulture Out-Grower Scheme

Indicator	Data source/ responsibility
Increased exports of horticulture products from pilot sites by 30% by project end	Market report/PMU
Improve income retention among farmers participating in the pilot schemes by 40% by project end	Market report/PMU

3.0 Organization and Responsibilities

The overall project oversight is delegated to the Project Steering Committee (PSC) consists of members from government agencies and business.³ The PSC provides strategic guidance and oversight of the project, approved and reviews annual plans and progress.⁴

The Project Management Unit (PMU) manages the day-to-day operations of the project and responsible for the implementation of sub-components. The PMU reports to the PSC and coordinates with relevant agencies, donors and projects.

² World Bank. Restructuring Paper on a Proposed Project Restructuring of Private Sector Competitiveness and Economic Diversification Project Credit to the Kingdom of Lesotho.

³ Representing the Ministries seated on the PPSC, the Registrar General and the CEOs from the Lesotho National Development Corporation (LNDC) and the Lesotho Tourism Development Corporation (LTDC).

⁴ Strategic guidance and oversight was previously in the project provided by the Private-Public Steering Committee (PPSC) comprised of ministerial and business representatives with a Project Review Committee (PRC) providing technical and operational guidance. The PRC was elevated to Project Steering Committee (PSC) to perform the functions of the PPSC.

3.1 Skill Development for the Garment Industry

GoL has provided buildings for two skill development centres, one in Maseru and one in Maputsoe. The aim was to establish two financially sustainable centres after the initial three years of operation. The training was envisaged as both pre-employment training and programs which would training existing workers and provide supervisory and management training. At project inception it was envisaged that the Maseru centre would train between 2,000 and 3,000 students per year while it was expected that around 1,000 people would be trained at Maputsoe centre each year. Maseru is host to the greatest concentration of garment factories in the country. A cluster of garment factories and shoe factories are located in Maputsoe.

A Centre Manager manages each skill centre and prepares all reports required under the project. The Manager is responsible for the day-to-day implementation of activities and staff. Under the restructuring, staff will include a registrar section with responsibilities for student recruitment and placement.

A Management Council is in place for each skill centre as a decision-making and advisory body for the centres. The composition of the management council for the two training centres vary slightly, but consists of members from industry and government.

The main beneficiaries under this component are trainees, both unskilled workers seeking an entrance to the industry, and existing employees seeking to enhance skills to gain managerial positions. The private garment industry is expected to benefit through support to provide qualified candidates for staff positions.

3.2 Horticulture Out-Grower Scheme

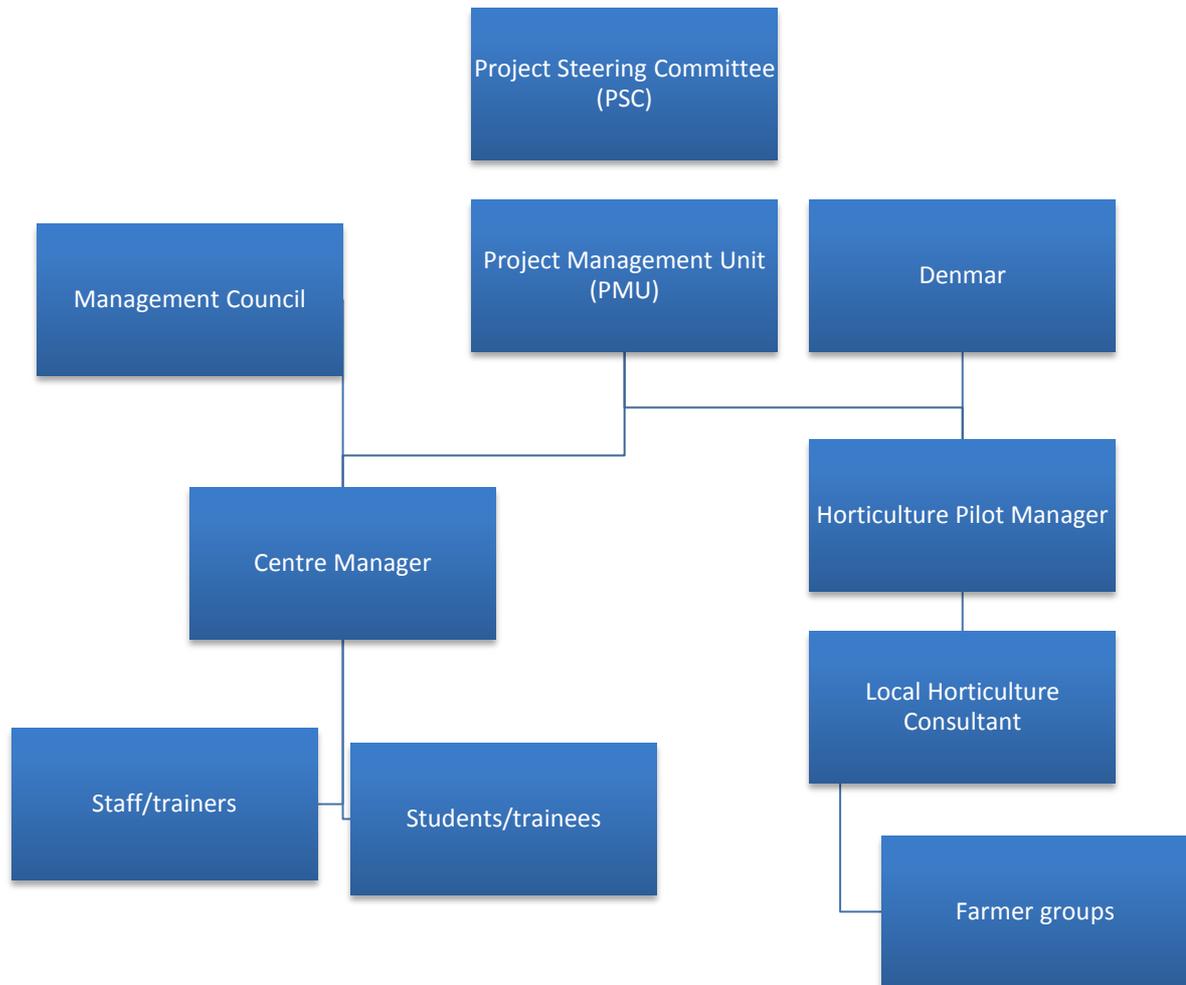
The Scheme seeks to improve quality, volume and delivery capability of Basotho farmers, transitioning away from smallholder farming into group or block farming methods of fruit trees, produced organically to help tap into high premium niche markets.

A Horticulture Pilot Manager oversees the out-grower scheme. The Manager is responsible for the day-to-day implementation of activities and is responsible for preparing all reports required under the project.

The Manager works directly with the District Agricultural Office (DAO) to provide support to the farmers either directly or through the short-term consultants who provide discrete technical assistance. Under the project, a private sector advisor, Denmar, supports the roll out of the pilot phase and provides expertise to farmers on growing techniques. In addition, the Denmar has an established supply chain and distribution network which the project will tap into.

The direct beneficiaries under the component are the farmers who will receive a subsidy to convert their land to fruit tree farms and attain technical expertise. The farmers are organized into three community groups. The farmers will hire seasonal workers from the community.

Figure 1: Existing Organization of Component 2A & 2B



4.0 Environmental and Social Baseline

The EIA provides an environmental baseline for the horticulture project area. To establish a social baseline for the ESMP, the World Bank's 2010: *Lesotho - Sharing Growth by Reducing Inequality and Vulnerability: Choices for Change. A Poverty, Gender and Social Assessment* is utilized. The report identified a significant lack of data in Lesotho, which undermines the understanding of policy implications from targeted investment to ensure that projects reach intended beneficiaries. The baselines in this section are brief and related to social and environmental linkages under the project and therefore do not provide a complete environmental or social baseline of Lesotho.

4.1 Social Baseline

Lesotho faces significant development challenges, including a high rate of chronic poverty. In 2002/03, 37 percent of households lived on less than US\$1/day – roughly 50 percent lived under the national poverty line. Income inequality is entrenched, both within rural and urban areas, and Lesotho has one of the highest HIV/AIDS prevalence in the world. Approximately one in four adults carry HIV.

People in rural areas have lower incomes and higher incidence of poverty. Households in rural areas depend on subsistence agriculture and remittances, but remittances,

which were stable for decades through male labour in the South African mining industry, have gradually declined.

While 50 percent of the labour force is engaged in agricultural production, only five percent sell maize and only 0.2 percent sells all of their production. The average land cultivated per farmer is 1.3 hectare – only 11 percent cultivate over 3 hectares.⁵

The textile industry has attracted mainly young women migrating from rural areas. Women working in the textile sector have higher incomes than those living in rural areas, and their children are more likely to be in school. Approximately five percent of all households in Lesotho – 2.5 percent in rural areas and 13.4 percent in urban areas – have a family member employed in the textile industry.⁶ However, these households do not fare better than other households nor does textile employment have a sizeable impact on livelihood strategy of the household.

4.2 Environmental baseline

Village interviews⁷ seeking to uncover local causes of poverty indicate insecurity in agricultural production as a main source of poverty. Soil erosion, lack of productive land or labour, lack of adequate farming inputs and weather impact (drought and harsh weather conditions) are main causes.

Devastating droughts have been persistent over the past two decades occurring in the periods of 1983-84, 1991-93, 1994-96 and 2002-04. Other climatic risks include impact from hailstorms, snow, frost damage and, often extensive, droughts.

Farming in Lesotho is tested by depleted soil, lack of irrigation, limited use of fertilizers, weak extension systems, inferior infrastructure, under-development markets, lack of land tenure security and lack of credit availability. GoL subsidies have traditionally favoured farmers owning more than 15 hectares.

The horticulture project is situated in two districts, Berea (Thuathe village) and Leribe (Quqolosing and Mahobong villages). The project areas are in the northern foothills, which have fertile land and high agricultural productivity. The foothills have higher rainfall than the lowlands and better access to irrigation.⁸

5.0 Environmental and Social Linkages

According to the project team, the expected favourable social outcomes include employment and poverty reduction. The EIA established the environmental impacts were minor. Key stakeholders have been consulted and been involved in project design through their participation in several workshops.

The following section identifies the environmental and social linkages to feed into the ESMP.

⁵ World Bank, 2010. *Lesotho - Sharing Growth by Reducing Inequality and Vulnerability: Choices for Change. A Poverty, Gender and Social Assessment.*

⁶ World Bank, 2010. *Lesotho - Sharing Growth by Reducing Inequality and Vulnerability: Choices for Change. A Poverty, Gender and Social Assessment.*

⁷ World Bank, 2010. *Lesotho - Sharing Growth by Reducing Inequality and Vulnerability: Choices for Change. A Poverty, Gender and Social Assessment.*

⁸ 20002/03 data in World Bank, 2010. *Lesotho - Sharing Growth by Reducing Inequality and Vulnerability: Choices for Change. A Poverty, Gender and Social Assessment.*

5.1 Skill Development for the Garment Industry

Since the skill centres were established the skill centres have trained a total of 1,441 students. The Maseru centre has trained 769 students, 83 percent of students were female. In Maputsoe, 672 students have been trained – 61 percent of students were female. In Maputsoe, 58 supervisors were trained – 40 of these were female (69 percent). The average age of trainees is 25-30 years and originates from all across Lesotho. 83 percent participated in the basic sewing course. The centres have accepted all applicants. As of December 2011, a total of 1,058 trainees have found work in the garment industry, 520 from the Maputsoe centre (59 percent of these were women) and 538 workers were from Maseru (90 percent of these were women).

The training under the project has consisted mainly of a basic skills sewing course, which is a two-month training, eight hours per day. Students pay M200 (app. US\$24) to participate and cover own accommodation and transportation. Those who are unemployed when entering the training program are exempt from fee payment.

The majority of trainees are unemployed and unskilled when entering the course. 80 percent of the trainees found employment in the garment industry after receiving training. In Maputsoe the private sector has had an agreement to employ trainees post training. A typical salary in the garment industry is M800/month (app. US\$97).

The project is seeking to reduce worker turnover and absenteeism currently impacting the sector. The PAD notes that HIV/AIDS is a significant challenge to worker productivity and development.

Under the restructuring the centres will undergo a) refurbishment and b) fee restructuring. The PPP Feasibility study suggests that the skill centres should be GoL owned, but operated by the private sector. It is expected that both the GoL and the private sector will provide capital investment. Further there is an identified need to diversify the training available currently, by providing more advanced courses with a view to increasing skills levels and having more general business development courses that would foster more entrepreneurial skills.

As noted, the skills centres have mainly provided a two-month basic skill sewing skills course, and not provided the managerial training, which was initially envisaged. The Maseru Centre has app 45 students at a time (180/year) and the Maputsoe 30 students at a time (270/year). There is a significant gap between the payment provided by students (M200/course – app. US\$24) and the actual cost of the training. The cost operating cost of the course has been M4,600/student (app. US\$555) - M7,675/student (app. US\$926) if including the projects capital investments.

Under the restructuring GoL is considering whether to include training of other skills, including small bakery and tourism training. But as a result of the significant gap between cost and the existing fees charged to trainees, the PPP Feasibility study suggests charging increased fees for students.

Based on the PPP Feasibility study, it is envisaged that the refurbishment will include rehabilitation on the existing site. With a limited budget, the reconstruction required is expected to address the main problems:

- Address safety issues: ensure adequate number of fire exists and ensure appropriate fire fighting equipment is available and functioning;
- Repair roof leakages;
- Repair ceilings;

- Repair electrical wiring to bring it to compliance;
- Repair gutters;
- Weather proof;
- Ensure that the building is accessible to persons with disability;
- Increase number of toilets.

The refurbishment is expected to be conducted over a short period of time and be contracted through normal procurement procedures. As a minor undertaking, only a small number of construction workers will be involved.

5.2 Horticulture Out-Grower Scheme

Lesotho offers favourable microclimate growing conditions for fruit trees, early growing season and competitive wages. Additionally, proximity to potential markets makes horticulture attractive for high-value horticulture. The horticulture component is expected to directly benefit rural and thereby the most impoverished regions in Lesotho.

The project will provide livelihood support during the course of the project – to get the project off the ground and compensate lost income in the transition period. Calculated based on prior production, the livelihood stipend is provided on a monthly basis to participating farmers. Participating farmers will provide the labour inputs needed and are expected to pay the hired labour through the proceeds of the project funds. The horticulture manager initially distributed the livelihood support, but the responsibility has been transferred to Denmar. The social and labour standards practiced in the pilot areas are expected to spill into the rest of the country.

Due to limited project funds, the project will support the roll out of the project in one of the three project villages. To participate, farmers must:

- Establish a group of farmers to form a legal entity to ensure access to minimum 10 hectares of arable land for the project;⁹
- Commit to the project for a minimum of five years.

The EIA found, that with the proper project management, potential environmental impact from the project is likely to be insignificant. The EIA monitoring and evaluation plan needs to be followed during the project implementation to ensure that the objectives are being met to ensure safe handling and use of agrichemicals and pesticides, and adequate protection of the environment in application.

To facilitate a roll out of the initiative, irrigation will be required. The Caladon River will likely provide the water needed for irrigation. The volume of water required for the rollout is limited and is not expected to pose any impact on surrounding communities, particularly given that household water is accessed through boreholes, and surrounding agriculture is currently 100% rain fed.

⁹ Grouping farmers addresses prior issues with government subsidies favoring farmers owning large land holdings in a country where the average holding is 1.3 hectare.

6.0 Environmental and Social Management Plan

The ESMP provides a simple, yet detailed plan to monitor project impact and provide mitigation where needed. Lesotho has lacked analytical and operational capacity to adequately measure project impact and use project outcome in policy and project design. The ESMP can therefore feed information into this vacuum by providing linkages and data to enhance design and policy making. DFID, through its Poverty Support Program has provided support to MTICM to strengthen their analytical and operational capacities. The information gathered under the ESMP can be aligned and shared with MTICM to feed into this existing effort to provide better policy design and decision-making and to ensure the greatest poverty reduction impact.

Appendix 1 provides an overview of monitoring and mitigation measures under the ESMP.

6.1 Skill Development for the Garment Industry

The training centre operator should implement the ESMP whether under public or private management. If the centre management is contracted to the private sector, the ESMP components should be built into the contract.

6.1.1 Social Issues

Under the restructuring plan, the fees paid by trainees are proposed to be substantially increased. It will be necessary to assess if it is feasible for all prospective trainees, in particular the unemployed and those with few skills or prior employment history. The GoL may decide to apply a sliding scale based on ability to pay to ensure that the basic skill training is available to all.

The project should better track trainee profiles to understand the impact of the training provided. To obtain a spot in the training program, trainees should provide basic information to enable the centre to track who benefits from the program by developing socio-economic profiles of trainees. The information provided should include:

- Gender
- Age
- Education status
- Urban/rural status
- Family status
- Prior employment history (unemployed/full time/part time, sector and position, and contract/casual)
- Income per month
- Health (disability and HIV/AIDS status)

Given the significant challenge of HIV/AIDS, proven to be a particular problem among young factory workers, the training centre should offer HIV/AIDS education during the first week trainees join the centre. This is expected to, in some part, address the issue of absenteeism and lack of retention in the work place. Rural households, where the new trainees are in large part recruited from, have less awareness of HIV/AIDS than their urban counterparts. Young women, the majority of the trainees, are more likely to be young and single and engage with several partners. The PMU should assist the centre managers in developing relationships with NGOs or donors who can provide the training at low or no cost. For example PSI/USAID Corridors of Hope HIV/AIDS

Education Project, which targets high-risk groups – or the SHARP program. Both have programs have experience in educating factory workers.

As the training centres are undergoing refurbishment, the refurbishing plans must include improvements that will ensure access for trainees and employees with disabilities.

To understand the long-term impact of the training offered at the centre, the registrar's office should monitor placement of trainees post training for three years. The registrar should conduct brief interview three months after training and subsequently annually for three years. The following issues should be tracked to monitor relative impact of training and HIV/AIDS education provided at the centre.

- Urban/rural status
- Family status
- Employment status (unemployed/full time/part time, sector and position, and contract/casual)
- Income per month
- Education status
- Health (disability and HIV/AIDS status)

The registrar's office should annually conduct a garment industry assessment to establish the number of expatriates in technical and middle level supervisory positions versus Basotho in these positions. The aim is to increase the percentage of Basotho's retained in managerial and technical positions in the garment industry.

The impact of the training provided can also be improved through understanding the needs of staff, industry members and trainees. The centre manager should provide a comment/complaints box and post grievance/suggestion procedures in a visible space at the training centre. PMU will collect responses, both written and verbal and forward redressal proposals to PSC for approval. Key issues raised through comments provided should be reflected in annual project reports.

6.1.2 Environmental Issues

During the refurbishment of the training centres, the PMU should ensure that contractors adequately dispose of construction waste. The PMU should consult with METC to screen for hazardous materials and make appropriate accommodations to ensure that neither persons nor environment are exposed to hazardous materials.

Centre managers should notify neighbours and immediate community of construction activities and length of engagement. One month prior to commencement of construction, the centre manager should invite community and neighbours for a brief tour of the training facilities with a briefing of construction about to be undertaken. The centre managers should provide future contact information to ensure continued understanding of activities and address concerns as they may arise.

6.1.3 Occupational Hazards

The refurbishment of the training centres must address current shortfalls in fire escapes and fire fighting materials. The PMU should provide a detailed description of requirements in the refurbishment contract. In addition, the centre manager should establish a program for emergency training and appoint fire marshals. Plans should be posted on a public wall and be described in accessible language at the training centres.

The PMU and the centre manager should work with the contractor to ensure that students and staff are safe during refurbishment. The contractor will be required to cordon off unsafe areas and plan to halt training in periods if impact from work put staff or students at risk, including exposure to noise and dust. Training should be halted if heat/ventilation is unavailable, if toilets or water is cut off for more than two hours (unless alternative facilities are identified in the immediate vicinity).

6.2 Horticulture Out-Grower Scheme

By receiving the support through the project, the pilot farmers have committed to use their pilot farms as demonstration plots to train other villagers during the roll out. The project funds education and awareness of farming methods to ensure that participating farmers follow environmental guidelines and organic growing standards, while ensuring a high standard of production. Given illiteracy among Lesotho farmers, the training programs are hands-on and holistic to include the entire community – using the language of the farmers.

Initially, protective fences were constructed blocking existing footpaths used by community members. The project has addressed this issue by providing gates.

6.2.1 Social Issues

To ensure strong project data, the project should collect data on participating farmers, both those participating in the pilot project and those participating in the roll out of the project. The project should use this data to analyse poverty impact of the project. Data collection should occur annually and include:

- Size of land
- Gender
- Age
- Education status
- Family size and status
- Family employment (current employment status of family members)
- Income per month (remittances or other income, average seasonal income)
- Health (disability and HIV/AIDS status)
- Employees under the project (number of employees, days employed, salary)

The project has developed an informal agreement between communities and participating farmers, where farmers share a portion of their harvest with community members. In return, community members have an informal community arrangement for security to prevent theft or damage of produce. This arrangement thus ensures mutual benefits for community members.

Farmer groups, the foremen/field managers and the horticulture project manager should work closely with the community leadership and provide relevant updates at community meetings to ensure the continued community support of the initiative and address any concerns that may arise. Grievances with the project should follow traditional grievance procedures in the community, for example verbal complaints or concerns shared at community events/meetings. However, should grievances escalate, the horticulture manager is required to step in to mitigate. The PMU should describe how grievances if any were mitigated in annual reports.

6.2.4 Environmental Issues

The application of fertilizers and pesticides will consider soil type and slope to ensure protection of watershed and groundwater. Pesticides and fertilizers application will be based on an Integrated Pest Management (IPM) approach. IPM will be monitored under the Global Gap framework. The subscription to Global Gap ensures that the project is compliant with international norms in the use and handling of agrochemicals. Under the Global Gap program, inspectors will ensure compliance through inspections. The horticulture manager will monitor erosion, water quality and soil nutrition, but with the Global Gap the project has enhanced inspection with an independent monitoring regime. Global Gap compliance is expected to simplify export procedures for the international market. Participation in Global Gap will also ensure proper handling of potential surplus pesticide or fertilizer, as currently Lesotho lacks adequate legislation on hazardous waste.

Training of farmers and community members involved in activities related to pesticide and fertilizer use is essential to ensure sound environmental management for soil, water and occupational safety. The project will provide training, which enables farmers to understand the complex negative impact inadequate handling of both fertilizers and pesticide. The training will include good management practises in storing (ventilation, prevention of leaching, stock management etc.), occupational hazards and environmental safeguards. Given the high illiteracy among Basotho farmers, the project will ensure innovative approaches, including audio-visual tools and hands on training.

In the short term, the PMU will work with various project managers and contractors to ensure that adequate erosion prevention. In addition, regular tests will be obtained and analysed by an independent lab to monitor chemical residue, soil nutrition and water quality, with oversight by METC and Global Gap inspections. In the medium- to long term, the Ministry of Agriculture and Food Security will maintain this oversight.

In addition, the project will fund the installation of hail nets and ensure that they are adequately installed to protect trees and allow for community access.

APPENDIX

APPENDIX 1: Environmental and Social Management Plan

Issue	ESMP Action	Responsibility	Desired outcome
SKILL DEVELOPMENT FOR THE GARMENT INDUSTRY			
Social issues			
Trainee profile	As part of application for training, prospective trainees provide a brief socio-economic profile.	Centre manager (admin registrar's office). Share with MTICM.	Understand trainee background, including: gender, age, rural/urban, family status (married/unmarried, # kids), prior employment, education status and income.
Affordability	Assess affordability of new fee structure for prospective trainees. Ensure that higher fees are not imposing barriers to access training.	PRS and PMU to consult garment industry and centre managers.	Ensure affordability of training, in particularly training offered to those with few skills or employment history.
Income	Monitor income of trainees for three years post training. See 6.1.1 for details.	Centre manager (admin registrar's office). Share with MTICM.	Track income development to establish impact of project.
Job stability/impact of training	Monitor trainee employment for three years post training. See 6.1.1 for details.	Centre manager (admin registrar's office). Share with MTICM.	Track employment to establish impact of project.
Managerial positions	Conduct annual industry assessment to establish the number of expatriates in technical and middle level supervisory positions versus Basotho in these positions.	Centre manager (admin registrar's office). Share with MTICM.	Increase the percentage of Basotho's retained in managerial and technical positions in the garment industry.
Health	Provide HIV/AIDS awareness training at initial stage of training. Track impact of awareness training, see 6.1.1 for details.	PMU to request NGO/donor projects to provide training.	Improved HIV/AIDS prevention in high-risk group.
Persons with disabilities	Refurbishment plan to include plan for accessibility for persons with disabilities. Track number of disabled persons trained and employed.	Included in contract for refurbishment (PMU)	Training centres accessible to persons with disabilities. Disabled persons gaining employment skills.
Complaint mechanism	Provide comment/complaint box and procedures for addressing comments/complaints from staff, trainees, neighbours, private sector or others.	PMU will forward comment/ complaint mechanism to PSC for approval. Monitor comments/ complaints and reflect on how these address addressed in annual reports.	Ensure that managers address complaints in adequate manner, use good ideas.

Environmental issues			
Waste management	Ensure that waste from refurbishment is adequately disposed of during construction.	Disposal standards to be included in contract for refurbishment. PMU oversight.	Ensure that waste is disposed of adhering to strict environmental standards.
Hazardous materials	Screen construction site for existence of hazardous material, including asbestos.	METC to assess existence of materials. If existence of hazardous material confirmed, PMU is responsible for mitigation plan. ¹⁰	Ensure that no hazardous materials are present. Prevent exposure to persons or environment by adhering to strict environmental standards.
Noise, traffic and dust	The impact is expected to be minor. Ensure neighbours are appraised of pending construction. Provide written notice to neighbours two months prior to construction with invitation to a briefing one month prior to construction commencement. Provide contact should any issues arise.	Centre managers	Ensure good neighbourliness. Seek to minimize impact and adhere to potential agreements with neighbours on timing.
Occupational hazards			
Fire protection	Refurbishment must include appropriate fire escapes Refurbishment plan must include fire-fighting materials. Emergency plan developed and posted in project buildings.	Included in contract for refurbishment (PMU). Centre managers to coordinate training and appoint fire marshals.	Reduce fire hazards to minimum. Ensure that staff and trainees appraised of procedures in an emergency.
Constructing impact on staff and trainees	Halt training during refurbishment if impact of activities cause potential danger for staff or students. If training is on going during minor construction, ensure that area of construction is cordoned off.	PMU, centre manager	Ensure that students and staff are safe during reconstruction. Training should be halted if heat/ventilation is inadequate, toilet facilities or water is unavailable (unless alternative facilities are identified in immediate vicinity).

¹⁰ Lesotho does not currently have a law for disposal of hazardous material. Should material exist in the construction site, permission to adequately dispose of material in South Africa would likely be needed, or the PMU would need to ensure disposal (potentially safe burial) of materials to ensure that no one recycles or otherwise is exposed to such material. Meanwhile, all work related to the disposal would likely have to happen in South Africa. Handling and disposal procedure should otherwise follow Lesoto's Labour Code Order requirements when handling hazardous material.

HORTICULTURE OUT-GROWER SCHEME			
Social issues			
Farmer profile	To participate in the project, farmers should provide basic information to enable the project to track impact. The information will be gathered annually. See 6.2.1. for details.	Horticulture manager, PMU analysis. Share with MTICM.	Improve data collection and understanding of project impact. Data include: land ownership, gender, age, education, employment & incomes and health.
Income	Monitor farmer income during project and set up monitoring post-project. Monitor number of jobs created and income. See 6.2.1	Horticulture pilot manager Horticulture pilot manager	Track income and employment in community to fully understand impact of project.
Community	Work closely with community leadership and provide pertinent updates and receive input from community.	Farmer groups, foremen/ field managers and horticulture pilot manager to participate regularly in community meetings.	Ensure continued community support by proactively providing updates and address community concerns.
Grievance/ complaint mechanism	Complaints may be raised verbally in community and/or farmer group meetings. All potential stakeholders appraised of meetings or notified where more formal comments/ complaints may be submitted. E.g. grievance.	Horticulture manager will report to PMU on issues raised in community or farmer meetings. PMU to receive formal complaints. PMU reflect on how issues were address in annual reports.	Ensure that comments, grievances or complaints are adequately addressed and use in future project planning.
Environmental issues			
Training	Training to ensure sound environmental management and help capacity building.	PMU/Denmar to identify and contract private firm to provide training	Increased awareness of effective use of input in fruit tree production. Farmer groups to gain knowledge and experience, which will enable them to train future tree crop farmers in Lesotho.
Pesticides and fertilizers	The application of fertilizers and pesticides will consider soil type and slope to ensure protection of watershed and groundwater. Pesticides and fertilizers application will be based on an Integrated Pest Management (IPM) approach.	Denmar and the horticulture manager will ensure day-to-day compliance. Global Gap will provide oversight.	Ensure that pesticide and fertilizer utilization follows adequate safeguards. Ensure that production is cleared for export.
Erosion	Ensure appropriate grading of soil and planting. Monitor erosion features in the community and immediate surroundings.	Horticulture manager to regularly inspect and develop mitigation.	Minimize and prevent erosion in project communities.
Soil nutrition	Sampling and chemical analysis of project soil and leaf tissues	Denmar, oversight by METC (quarterly)	Maintain nutritional status, correct deficiencies.
Water	Sampling and chemical analysis of irrigation and groundwater	PMU contract with private, approved lab (quarterly)	Ensure water quality for human consumption and crops.

Severe Weather	Hail nets to be installed to protect trees. Ensure that nets or other fencing used by project does not block community access.	Denmar, horticulture manager	Ensure adequate protection against hailstorm damage to trees.
----------------	--	------------------------------	---

Appendix 2: Lesotho map

IBRD 33434

