

**Environment and Social Management Plan**

Lesotho Second Private Sector Competitiveness and Economic Diversification  
Project (PSCEDPII)

**Tourism Information Centre**

---

ABBREVIATIONS.....	3
1. INTRODUCTION.....	4
2. THE LESOTHO SECOND PRIVATE SECTOR COMPETITIVENESS AND ECONOMIC DIVERSIFICATION PROJECT .....	4
2.1 <i>Tourism Information Centre Development</i> .....	5
2. SOCIAL AND BIOPHYSICAL SETTING.....	7
3. POTENTIAL ENVIRONMENTAL AND SOCIAL IMPACTS.....	8
4. LESOTHO ADMINISTRATIVE AND LEGAL FRAMEWORK.....	9
5. WORLD BANK SAFEGUARDS POLICIES .....	10
5.1 <i>Environmental Assessment (OP/BP 4.01)</i> .....	10
5.2 <i>Natural Habitats (OP/BP 4.04)</i> .....	11
5.3 <i>Pest Management (OP/BP 4.09)</i> .....	11
5.4 <i>Indigenous Peoples (OP/BP 4.10)</i> .....	11
5.5 <i>Physical Cultural Resources (OP/BP 4.11)</i> .....	12
5.6 <i>Involuntary Resettlement (OP/BP 4.12)</i> .....	12
5.7 <i>Other Operational Guidelines</i> .....	12
5.8 <i>Grievance Redress Mechanism</i> .....	13
6. ENVIRONMENTAL AND SOCIAL SCREENING, ASSESSMENT AND MANAGEMENT .....	13
3.1 <i>Consultations with Stakeholders</i> .....	14
3.2 <i>Design</i> .....	15
3.3 <i>Construction</i> .....	15
3.3.1 Labour related standards.....	15
3.3.2 Occupational standards .....	15
3.3.3 Building standards .....	16
3.3.4 Other construction related standards.....	16
3.4 <i>Operation of Tourism Information Centre</i> .....	16
4. SUMMARY OF MAIN ACTIONS .....	17
<i>Appendix 1: Environmental and Social Management Plan</i> .....	18
<i>Appendix 2: Construction Permits</i> .....	25
<i>Appendix 3: Lease for Project Site</i> .....	29
<i>Appendix 4: People Met During ESMP Preparation</i> .....	29
<i>Appendix 5: Handicrafts Associations Supported Through Existing Program</i> .....	43
<i>Appendix 6: Handicrafts Companies Supported Through Existing Program</i> .....	44
<i>Appendix 7: Additional Stakeholders Consulted</i> .....	45
<i>Appendix 8: Existing Craft Projects</i> .....	6
<i>Appendix 9: Tourism Sector Key Stakeholders</i> .....	48
<i>Appendix 10: Lesotho Map</i> .....	49

<i>Box 1: Lesotho Tourism Vision 2020</i> .....	1
<i>Box 2: Existing tourism opportunities</i> .....	1
<i>Image 1: Former tourism information centre (Basotho Shield)</i> .....	5
<i>Image 2: The Basotho Hat (Mokorotlo) building</i> .....	6
<i>Map 1: Tourism information centre location</i> .....	6
<i>Table 1: Summary of Lesotho Handicrafts Companies Assisted</i> .....	9
<i>Table 2: Summary of Lesotho Handicrafts Associations Assisted</i> .....	9
<i>Table 3: Summary of World Bank Safeguards Triggered by the Proposed Development</i> .....	13

## Abbreviations

EA	Environmental Assessment
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
ESMP	Environmental and Social Management Plan
ESMF	Environmental and Social Management Framework
GOL	Government of Lesotho
GDP	Gross Domestic Product
LTDC	Lesotho Tourism Development Corporation
MTEC	Ministry of Tourism, Environment and Culture
PDO	Project Development Objective
PMU	Project Management Unit
PSCEDPII	Lesotho Second Private Sector Competitiveness and Economic Diversification Project
SESA	Strategic Environmental and Social Assessment
SMEs	Small and medium-sized enterprises

## 1. Introduction

Tourism is identified in Lesotho's Vision 2020 and Poverty Reduction Strategy as a sector with strong potential to contribute to pro-poor growth and job creation. The Government of Lesotho's (GOL) tourism strategy rests on three pillars: i) economic development and employment opportunities; ii) promotion; and iii) institutional strengthening.

There is significant potential to develop existing tourism opportunities, but the assets are not currently capitalized to their full potential (see box 2). The lack of development limits potential job creation and poverty reduction. The tourism industry is highly reliant on South African travellers who account for more than 90 percent of arrivals.

GOL's tourism strategy seeks to triple the number of tourist to over 900,000 visits by 2020. This could enable 60,000 new jobs in the sector and contribute close to 5 percent of GDP. To reach this goal, the tourism strategy suggests a clearly differentiated positioning to distinguish Lesotho as a tourist destination.

### Box 1: Lesotho Tourism Vision 2020

Lesotho, globally renowned as Southern Africa's highest, must-visit mountain destination is one of the most thriving tourism economies in Africa and offers the traveller a unique blend of culture, nature and adventure experiences based on true partnerships and innovative responsible tourism practices that have its citizens prospering and living their dreams.

### Box 2: Existing tourism opportunities

- **Traditional arts and crafts.** The industry is often organized in women's collectives that have been supported by church associations or donors. Production is spread throughout the country (see appendix 4).
- **Unique recreational opportunities.** Skiing (Mahlasela Pass), rock climbing, fly fishing, abseiling, mountain biking, hiking, kayaking, bird watching, canoeing, 4x4 adventures and pony trekking.
- **Historic and cultural heritage.** There is a strong tradition for oral storytelling, songs and dance. The country provides access to both San rock art and fossil dinosaur footprints. The Morija Museum (<http://www.morija.co.ls>) displays historical and cultural artifacts and the Ministry of Tourism, Environment and Culture is developing a new cultural museum on the Old Parliament site in Maseru to replace the former National Museum. Historical sites include the Royal Village, Mt Moorosi Fortress, Fort Hartley, Thaba Bosiu Fortress, Major Bell's Tower and Fort, Qalabane-Mafeteng (Gun war site), Thaba-Bosiu National Monument, Maeder House, Mafeteng old mill and the Ellenberger cave house.
- **Nature and landscape.** Lesotho's landscape is awe-inspiring and very unique in Africa. The national parks all form part of the Maloti-Drakensberg Transfrontier Conservation and Development Project. The parks consist of Sehlabathebe (grassland, lakes and rock formations), Ts'ehlanyane (indigenous forest and mountain peaks), Bokong (Lepaqa Valley vies and Katse Dam) and Liphofung (cultural and historical). Other unique sites include the Tugela Tsehlanyana waterfalls and Thabana Ntlenyana (highest point in Lesotho/Southern Africa).

## 2. The Lesotho Second Private Sector Competitiveness and Economic Diversification Project

This Environmental and Social Management Plan (ESMP) provides the operational guidelines in accordance with World Bank operational policies for the support to the development of the Tourism Information Centre, funded as part of the Lesotho Second Private Sector Competitiveness and Economic Diversification Project (PSCEDPII). The ESMP establishes procedures, methodologies and responsibilities within the project to address associated environmental and social issues. While different institutions and

individuals within the project are assigned responsibilities, the Project Management Unit (PMU) has the overall responsibility for the implementation of the actions required under this plan.

The development objective of the proposed project is to contribute to increased private sector investments, firm growth and jobs created in non- traditional sectors. This will be achieved by (i) improving business environment; (ii) increasing access to finance; (iii) supporting investment promotion in new sectors with increased backward linkages to the local economy and (iv) targeted support to new growth sectors such as horticulture and tourism all of which will benefit both micro entrepreneurs and small and medium-sized enterprises (SMEs).

This ESMP covers the tourism subproject under component 2, which includes support to build capacity of the private sector by strengthening linkages with the regional economy and access to skills while improving firm level productivity. Specifically, the ESMP provides guidelines for the development of a tourism information centre in Maseru.

## 2.1 Tourism Information Centre Development

PSCEDPII supports the development of a new tourism information centre in Maseru. This is aligned with several of the Tourism Strategy's core goals, in particular the need to improve the presentation of existing attractions and ensure user-friendly access to the country.

There is currently no central tourism information centre in Maseru, which is a major hub for visitors. The information that is available is haphazardly displayed, whether at related venues or on the Internet.

The former tourism centre, the Basotho Shield, burned to the ground in 2011 (see image 1). This left the country without a central tourism information base, but also displaced a number of arts and crafts vendors, several of whom are now displaying their products on adjacent sidewalks with no access to storage facilities

**Image 1: Former tourism information centre (Basotho Shield)**



The vision for the new information centre is to integrate modern technology, respond to tourism service demands (e.g. tours, reservations) and invite working artisans and vendors back to the site. The information centre would form part of an integrated strategy to boost tourism in Lesotho.

An initial 12 sites were reviewed as potential sites in the first half of 2013. Three sites made a final list with the former Basotho Shield site preferred as the location for the future tourism information centre. There are several reasons for this selection:

- The location is ideal: traffic from South Africa is routed by the site (see map 1);
- The location is highly visible given the adjacent building: the Basotho Hat (Mokorotlo) building (see image 2) where Lesotho Coop Handicraft is located;
- The lease holder for the site, Lesotho Coop Handicraft, has developed a preliminary design that can accommodate the strategy and vision;
- The existing infrastructure will minimize development needs and cost;
- Given that the site will be redeveloped, the environmental impacts are limited;
- The site capacity is sufficient for the visitor capacity expected: parking can be accommodated on the site and on adjacent side streets;
- The site provides a strong focal point for the city centre and easy access to other attractions;
- There are strong cost-benefit opportunities in terms of arts and craft workshop, product development and sale;
- Lesotho Coop Handicraft has already shown interest in partnership with Ministry of Tourism, Environment and Culture (MTEC) to develop the site.

**Image 2: The Basotho Hat (Mokorotlo) building**



**Map 1: Tourism information centre location**



Source: google map. Blue arrow indicates location of the preferred location for the tourism centre, the red arrow indicates the Maseru Bridge border post.

Lesotho Coop Handicraft supports artisan's sale and production, and is thus an ideal partner as their vision seeks to combine an arts and craft marketplace and artisan resource centre as an integral part of the development. Such development will not only support artisans who were displaced following the fire, but also create new opportunities in the arts and craft sector.

Tourism development is identified to have significant potentials for poverty reduction and job creation. The tourism information centre will provide few direct jobs, while the integration of artisans has strong potentials for improvement of livelihoods, in particular for rural and female-headed households. The arts and craft industry can form a vital component in the tourism value chain, building on the strong arts and craft tradition in Lesotho (see Appendix 8: Existing Craft Projects). The construction of the tourism information centre offers the ability to scale up and improve productions, better coordinate and provide visibility for those engaged in the trade.

There was a strong consensus during a craft sector stakeholder workshop in April 2013 to develop the sector beyond current philanthropic projects and seek public-private partnerships.<sup>1</sup> Under the MTEC the Director of Culture has established a working group to facilitate further development. In addition, the MTEC Director of Culture and Director of Tourism is compiling information on public and parastatal support offered to artisans. The results will be fed into the One Stop Business Facilitation Centre to improve support for the arts and crafts development. The added support will include training in product development and business skills.<sup>2</sup>

## 2. Social and Biophysical Setting

Lesotho is a landlocked mountain kingdom with 2.2 million inhabitants. Fully surrounded by South Africa, its economy is heavily dependent on the larger neighbour; water export alone, from the Lesotho Highlands Water Project, accounts for 23 percent of GDP.<sup>3</sup> Lesotho largely exports unprocessed products; products that could be processed or produced in Lesotho are imported from South Africa.

Historically, remittances from Lesotho miners working in South African mines were a significant source of income, but have declined steadily in real numbers and as a percentage of the economy, from close to 50 percent of GDP in the 1980s to under 20 percent at present.<sup>4</sup> In the past decade manufacturing as percent of GDP declined from 20 percent in 2004 to 11 percent in 2010.<sup>5</sup> Unemployment, as percent of the labour force, is 25.3 percent, 28 percent for females.<sup>6</sup>

The challenges faced by Lesotho results in persistent poverty levels. In 2002/03, 37 percent of households lived on less than US\$1/day and 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, affecting approximately one in four adults.

---

<sup>1</sup> McComb: *Lesotho Handicraft Section. Information Dissemination Event and Recommendations.*

<sup>2</sup> There is no formal training for traditional artisans in Lesotho. The Lesotho Academy of Arts provides training in music and while there have been discussions to establish a National Arts Council it has not happened to date.

<sup>3</sup> World Bank: *Project Appraisal Document for Private Sector Competitiveness and Economic Diversification Project*, 2007.

<sup>4</sup> Lesotho Government Online: <http://www.gov.ls/about/default.php>.

<sup>5</sup> World Bank: *Lesotho Overview*.

<sup>6</sup> World Bank: *databank* (2008 numbers).

Alternative livelihood income has a strong potential to lift families out of chronic poverty. Tourism craft production has been successfully used, particularly in rural setting to lift families out of poverty by offering skills development and additional incomes. The craft production is often organized in women's collectives (see Appendix 8: Existing Craft Projects).

The biophysical setting of the proposed information centre is in the capital of the country, Maseru, which means the place of red sandstone in Sesotho. The city is located on the Caledon River, which also forms the boundary with South Africa on the western part of Lesotho. The border crossing to South Africa is adjacent to the city and due to this proximity is Lesotho's main trading centre and host to approximately 10 percent of Lesotho's population (228,000 in the 2006 census).

Maseru is situated in the valley of Hlabeng-Sa-Likhama, part of the Maloti Mountain foothills. The city covers approximately 138 square kilometres and is located 1,600 metres above sea level. The sub-tropical highland climate provides for warm rainy summers (November-February) and cool, dry winters (June-September).

The specific site of the tourism information centre is considered the entrance to the city of Maseru and forms part of the central business district. It is adjacent to the major border thoroughfare and the area is host to several informal vendors, shops and larger shopping centres.

Degrading soils, erosion and effects from severe weather plagues Lesotho's rugged mountain areas. However, in the city centre of Maseru, these hazards are mitigated by urban drainage and infrastructure development. The specific site of development was previously developed as the site of the former tourism information centre, but besides the foundation from the previous information centre, the site is bare. Given the urban setting and traffic on the adjacent road, the site does not host any wildlife. While a number of actions should be taken in accordance with Lesotho's legislative framework and World Bank safeguard policies in terms of design, construction and longer-term operation, there is no significant adverse impact from the development of the land.

### **3. Potential Environmental and Social Impacts**

While the project is small scale and has few direct impacts, whether potentially adverse or beneficial, the tourism development may have larger benefits by enabling small craft vendors, tourism operators and the hospitality industry's further support and development. The project will be designed to promote long-term growth of the tourism and handicrafts sectors, leveraging the support the project has already provided to handicrafts artisans and lodging establishments in the area.

The direct benefits are associated with employment and the operation of the tourism information centre. Meanwhile, a number of craft vendors will receive support and have a prominent space to sell their goods that does not exist currently. Potential beneficiaries include all handicrafts and vendors supported through the project, as detailed in Tables 1 and 2 below. To date, direct handicraft beneficiaries of Project activities stand around 200, more than 80% of whom are women. The additional financing includes significant further support for the handicraft sector through the development of a business plan and a program of support and technical assistance. This ESMP builds a strong framework for managing social impact and ensuring distributional benefits within the construction and initial operation of the information centre. This

framework can be maintained during long-term operation and in relations with craft development.

Given the GoL's current financial challenges, the center must be economically sustainable in order to have the deepest, long-term impact on economic diversification and livelihood creation.

During the construction period, disruption of businesses operating in the vicinity of the center (primarily vendors of fruits and snacks) will be avoided as much as possible. The small number of vendors affected (<10) do not have permanent structures and operate mobile businesses, diminishing potential negative impact. Nonetheless, mitigation measures will include (i) that the construction trucks enter the site through the far side of the site, away from the vendors, and (ii) that appropriate measures be taken to minimize construction dust with sheets or tarps as appropriate.

The potential impact to environment is minimal. Initially, construction impact will be related to construction. Construction may directly impact neighbouring businesses and traffic patterns, and should therefore be carefully managed. Besides traffic, impacts could include noise and dusts. The centre has a small footprint and is not expected to have any significant impact on electricity or water.

**Table 1: Summary of Lesotho Handicrafts Companies Assisted**

Number of CIEP Beneficiary Companies			Employment	
Gender	2014	2015	2014	2015
Female	8	12	15	36
Male	6	11	7	27
<b>Total</b>	<b>14</b>	<b>23</b>	<b>22</b>	<b>63</b>

**Table 2: Summary of Lesotho Handicrafts Associations Assisted**

Number of CIEP Beneficiary Associations	Beneficiary Membership			Employment	
	Gender	2014	2015	2014	2015
12	Female	152	173	146	156
	Male	21	24	31	35
	<b>Total</b>	<b>173</b>	<b>197</b>	<b>177</b>	<b>191</b>

#### 4. Lesotho Administrative and Legal Framework

Lesotho legislative requirements in relation to construction are set out in the 1995 Building Control Act and the 2008 Environmental Act.<sup>7</sup> In addition, the 1992 Labour Code and related amendments set out safeguards for workers.<sup>8</sup> This legislative

<sup>7</sup> Building Control Act, 1995 and Environment Act 2008.

<sup>8</sup> Lesotho Government Gazette, Extraordinary, Vol. XXXVII, No. 118: Labour Code Order, 1992; Supplement No. 2 to Gazette No. 5 of 22<sup>nd</sup> January, 2003: Labour Code (Codes of Good Practice) Notice 2003; Supplement

framework provides oversight, protections and standards for the development of the tourism information centre.

In accordance with the Building Control Act, construction plans must be submitted for review to building authorities. The plans must not be unsightly or objectionable, or create a nuisance and must comply with fire safety. The law specifies, than unless the plans raise objections, that permits be issued within 30 days. Once a permit is received, the construction must commence within 12 months. In accordance with the Act, once construction is finalized, the building authorities must be notified in order to make a full inspection of the construction and will subsequently issue an occupancy permit. The Act also sets out the procedures for inspection of electrical wiring. The procedures for construction permits in Maseru are set out in Appendix 2: Construction Permit. This includes the financial construction guarantee, specific building inspection procedures from beginning to end, and water and electricity connection procedures.

The Environment Act sets a number of environmental standards in relation to construction, including noise, air and soil standards. The Act specifies which projects require an Environmental Impact Assessment (EIA) or environmental monitoring, and what level of reporting is required. However, Part A of the Act exempts the tourism information development from the EIA and related requirements given that the construction of the site is in character with the current surroundings, that the structure is not of scale and that it does not provide for any significant change in the current land use. This ESMP thus covers more than is required under Lesotho environmental legislation.

The Labour Code sets very specific requirements for workers who will engage in construction and the permanent staff who will be recruited to run the information centre. The Labour Commissioner enforces the Labour Code. Requirements are reflected in the ESMP matrix in Appendix 1 and include specifications for:

- Worker safety;
- Remuneration (including overtime, sick leave);
- Worker dispute resolution mechanism in the workplace;
- Working hours, rest periods, holidays;
- Children and young persons;
- Right to organise;
- Training and supervision;
- Protective equipment and clothing;
- Sanitation;
- Hazardous materials;
- Notifications to authorities;
- HIV/AIDS guidance.

## **5. World Bank Safeguards Policies**

### **5.1 Environmental Assessment (OP/BP 4.01)**

The objective of OP 4.01 is to ensure that World Bank supported projects are environmentally sound and sustainable. The policy is triggered if the project is

---

No. 1 to Gazette No. 42 of 4<sup>th</sup> August, 2006: Labour Code (Amendment) Act, 2006; and Supplement No. 1 to Gazette No. 4 of 15<sup>th</sup> January 2010: Labour Code (HIV and AIDS at Workplace) Guidelines, 2010.

anticipated to have potentially adverse impacts in its area of influence. Depending on the project, and nature of impacts a range of instruments can be used: EIA, regional or sectoral Environmental Assessment (EA), Strategic Environmental and Social Assessment (SESA), environmental audit, hazard or risk assessment, Environmental Management Plan (EMP) and Environmental and Social Management Framework (ESMF).

Given the limited footprint of the tourism component under PSCEDPII, this ESMP provides the guidelines required under World Bank Safeguard Policy guidelines.

## **5.2 Natural Habitats (OP/BP 4.04)**

OP 4.04 recognizes that the conservation of natural habitats is essential to safeguard their unique biodiversity and to maintain environmental services and products for human society and for long-term sustainable development. The World Bank supports, and expects borrowers to apply, a precautionary approach to natural resource management to ensure opportunities for environmentally sustainable development. Natural habitats are land and water areas where most of the original native plant and animal species are still present. Natural habitats comprise many types of terrestrial, freshwater, coastal, and marine ecosystems. They include areas lightly modified by human activities, but retaining their ecological functions and most native species. The policy is triggered if the project is expected to cover areas of natural habitat in order to protect, maintain or rehabilitate natural habitats and their functions.

The land development required to construct the tourism information centre does not impact any natural habitats. OP 4.04 is therefore not triggered.

## **5.3 Pest Management (OP/BP 4.09)**

The policy is triggered if procurement of pesticides is envisaged (either directly through the project or indirectly through on-lending); if the project may affect pest management in a way that harm could be done, even though the project is not envisaged to procure pesticides. This includes projects that may lead to substantially increased pesticide use and subsequent increase in health and environmental risks; and projects that may maintain or expand present pest management practices that are unsustainable.

The redevelopment of the site will not require any procurement or use of pesticides.

## **5.4 Indigenous Peoples (OP/BP 4.10)**

The objective of this policy is to: (i) ensure that the development process fosters full respect for the dignity, human rights, and cultural uniqueness of indigenous peoples; (ii) ensure that adverse effects during the development process are avoided, or if not feasible, ensure that these are minimized, mitigated or compensated; and (iii) ensure that indigenous peoples receive culturally appropriate and gender and inter-generationally inclusive social and economic benefits. The indigenous people's operational policy is triggered if a project affects indigenous peoples, defined as groups of distinct, vulnerable, social and cultural groups.

There are no indigenous groups identified in the project area, nor in Lesotho as a whole, wherefore the policy is not triggered.

### **5.5 Physical Cultural Resources (OP/BP 4.11)**

Under OP 4.11 World Bank projects must screen land for the existence of physical cultural resources, which can be movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. Physical cultural resources may be located in urban or rural settings, and may be above or below ground, or under water. Their cultural interest may be at the local, provincial or national level, or within the international community.

Land involved in the project should be subject to screening, but may not be considered for inclusion in the project if physical cultural resources will be affected.

### **5.6 Involuntary Resettlement (OP/BP 4.12)**

The objective of this policy is to (i) avoid or minimize involuntary resettlement where feasible, exploring all viable alternative project designs; (ii) assist displaced persons in improving their former living standards, income earning capacity, and production levels, or at least in restoring them; (iii) encourage community participation in planning and implementing resettlement; and (iv) provide assistance to affected people regardless of the legality of land tenure. This policy is triggered not only if physical relocation occurs, but also by any loss of land resulting in: relocation or loss of shelter, loss of assets or access to assets, loss of income sources or means of livelihood, whether or not the affected people must move to another location.

The project site contained the previous tourism information centre. There have been no residences, temporary or permanent, since the fire destroyed the information centre. However, there are a few craft vendors adjacent to the site who will be temporarily accommodated during the construction phase.

### **5.7 Other Operational Guidelines**

Other operational guidelines include: Forests (OP/BP 4.36, triggered if project seeks to harness potential of forests), Safety of Dams (OP/BP 4.37, triggered for new and existing dams to ensure design, construction and safety measures), Projects on International Waterways (OP/BP 7.50, triggered in projects that involve international waterways) and Projects in Disputed Areas (OP/BP 7.60, triggered where disputes exist between neighbouring states). None of these guidelines bear any relevance to expected PSCEDPII activities.

**Table 3: Summary of World Bank Safeguards Triggered by the Proposed Development**

	Yes	No
<b>Environmental Assessment (OP/BP 4.01)</b>	[X]	[ ]
<b>Natural Habitats (OP/BP 4.04)</b>	[ ]	[X]
<b>Pest Management (OP/BP 4.09)</b>	[ ]	[X]
<b>Indigenous Peoples (OP/BP 4.10)</b>	[ ]	[X]
<b>Physical Cultural Resources (OP/BP 4.11)</b>	[ ]	[X]
<b>Involuntary Resettlement (OP/BP 4.12)</b>	[ ]	[X]
<b>Forests (OP/BP 4.36)</b>	[ ]	[X]
<b>Safety of Dams (OP/BP 4.37)</b>	[ ]	[X]
<b>Projects on International Waterways (OP/BP 7.50)</b>	[ ]	[X]
<b>Projects in Disputed Areas (OP/BP 7.60)</b>	[ ]	[X]

## 5.8 Grievance Redress Mechanism

In the grievance redress mechanism (GRM), complaints about environmental and social performance of the proposed sub-project during the construction and operation phases shall be handled by the Project Manager of the PMU, Chaba Mokuku. Grievance and complaints will be reported in writing (even if delivered verbally) and addressed through collaboration with the PMU, GoL and The World Bank. All complaints received in writing (or written when received verbally) from the sub-project affected people or entity will be documented and shall be acted upon immediately.

Those seeking to report grievances may contact the following parties:

Chaba Mokuku (Email: [cmokuku@psc.org.ls](mailto:cmokuku@psc.org.ls)); +266 22316595

In addition, the World Bank offices in Lesotho or Washington can be contacted on the following numbers:

World Bank Maseru (Telephone: (+266) 22-321-480)

World Bank Headquarters (Email: [Grievances@worldbank.org](mailto:Grievances@worldbank.org))

Communities and individuals who believe that they are adversely affected by a World Bank-supported project may submit complaints to existing project-level grievance redress mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed to address project-related concerns. Project-affected communities and individuals may submit their complaint to the Bank's independent Inspection Panel, which determines whether harm occurred, or could occur, as a result of the Bank's noncompliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the Bank's attention and the Bank management has been given an opportunity to respond. For information on how to submit complaints to the Bank's corporate GRS, please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## 6. Environmental and Social Screening, Assessment and Management

MTEC will provide leadership on the tourism information centre development with the Project Management Unit (PMU) as a day-to-day implementing agent. Lesotho Tourism Development Corporation (LTDC) will support MTEC in marketing and commercial

development of the site. Part of LTDC's mandate is development of public-private partnership, which may be helpful as agreements with Lesotho Coop handicraft are developed.<sup>9</sup> The roles of MTEC and LTDC at times overlap and some clarification of exact roles may be required to ensure efficient coordination and task sharing.

The objective of the environmental assessment, as defined by the World Bank Safeguards Policies, is to *“ensure the environmental and social soundness and sustainability of investment projects [and] to support integration of environmental and social aspects of projects into the decision-making process.”*<sup>10</sup> The aim of the safeguards policies is to prevent adverse project impacts or provide mitigating measures. In addition, the World Bank safeguards framework seeks to engage stakeholders in the project process. Lesotho's Building Control Act (see also Appendix 2), Labour Code and Environment Act provide detailed guidance and are aligned with the intent of World Bank safeguards.

The main activities considered in this ESMP in relation to the tourism information development are:

- Stakeholder consultations;
- Design phase;
- Construction phase;
- Operation phase.

The actions described in the following sections and in Appendix 1 cover requirements to comply with the principles of World Bank safeguards policies and the Lesotho legislative framework. The development of the tourism information centre suggests few adverse impacts, but careful management of different phases of the project to adhere to the legal framework applicable to the project would result in appropriate mitigation measures for identified adverse impacts.

### 3.1 Consultations with Stakeholders

The plan in Appendix 1 provides the guidelines for consultation with different sets of stakeholders and recommends establishing an advisory group of sector stakeholders, including MTEC, tourism operators and most importantly, the leaseholder for the Basotho Shield site (Lesotho Coop Handicrafts). Consultations have served several purposes:

1. To build a strong business plan that integrates the need of different stakeholders in the sector, in particular stakeholders who directly depend on sector incomes;
2. Ensure that the business plan responds to sector needs, in particular engagement with the arts and crafts sector on the site and training for artisans;
3. Build public buy in for the design and the tourism industry in general;
4. Ensure that construction period is acceptable to neighbours, that neighbours are apprised of potential disturbances and have a channel through which to contact construction contractor throughout the project.

---

<sup>9</sup> Lesotho Government Gazette (Extraordinary). Vol XLVII, No. 18: Tourism Act 2002.

<sup>10</sup> World Bank: Environmental and Social Safeguard Policies—Policy Objectives and Operational Principles

As part of the consultations conducted throughout the project, handicrafts producers, vendors and associations all emphasized the need for a retail space to showcase and sell their products. Currently, very few vendors or associations are able to access retail space, particularly in an optimal location with heavy tourist traffic. The team's Handicrafts specialist conducted several meetings with beneficiaries, the most recent in September 2016. A complete list of stakeholders engaged for the purpose of the ESMP development, and for routine consultations on project impact and progress is available in Appendices 4, 5, 6 and 7.

### **3.2 Design**

Lesotho Coop Handicraft has already procured a design for development of the site. During the negotiations of the public-private partnership with Coop Handicraft it is important to insert that there is a need to ensure basic design standards and adjust designs for specific needs in accordance with the business plan. The design should seek use of local materials, adopt recycling and waste reduction principles and ensure resource conservation (incl. energy conservation). The design must also ensure:

- Inclusion of fire protection, including fire escapes and firefighting equipment;
- Ensure that parking is available on or close to building;
- Ensure full accessibility to the building, in particular for people with disabilities.

### **3.3 Construction**

The PMU has overarching responsibility to ensure that the selected construction contractor follows the construction guidelines provided by Lesotho legislation and World Bank guidelines as outlined in Appendix 1. Should specific building codes lack clarity or specific guidelines, the South African building regulations will be adhered to (see <http://www.buildingregulations.co.za>). To ensure capture of benefits, the PMU will require from the construction contractor that at least 50 percent of workers be Lesotho nationals.

#### **3.3.1 Labour related standards**

The selected construction contractor must contractually adhere to the Lesotho Labour Code and ensure general public safety. The contractor is responsible for ensuring that all Wage Orders are followed and that payments for labour are made in a timely manner, that workers are paid for overtime and other requirements in regards to remuneration are followed. Construction constructor must keep records to reflect the requirements set out in Appendix 1. Records may be subject to inspection by the Labour Commissioner.

Workers have a right to organize in trade unions and the construction contractor must guarantee that there will be no interference with such rights. The construction contractor is obligated to public post worker rights in the work place.

#### **3.3.2 Occupational standards**

The construction contractor is responsible for workplace occupational standards and associated public safety during the construction period. To ensure public safety, the

construction contractor must erect a construction fence inside the site. It cannot be placed outside the site (i.e. on the sidewalk), as it would interfere with vendors conducting their business. In addition, the construction contractor is responsible for minimizing noise, traffic and dust, provide adequate waste management, and refrain from using any hazardous materials.

The construction contractor must ensure that workers using special equipment are trained to do so, and are equipped with protective gear. Lastly, the construction contractor is responsible for reporting work related incidents in accordance with law.

### **3.3.3 Building standards**

To obtain a building permit, the building plans are submitted to the Maseru City Council and the building is subject to inspections to ensure the safety of the foundation, concrete work, steep work, framing, drainage, timber scaffolding and electrical instalment. The water and electricity authorities also conduct inspections, as described in Appendix 2. However, the Maseru City Council has limited capacity and it may be necessary for the PMU to insure third party inspection to ensure that the building requirements are met. This requirement should be inserted in the construction contract.

### **3.3.4 Other construction related standards**

As a supplement to the Labour Code a special legal notice on HIV/AIDS was published in 2010 to protect against discrimination and provide guidance to employers. The code obliges employers of any size to provide comprehensive and gender sensitive programmes aimed at prevention and treatment. The construction contractor is therefore responsible for developing a policy which includes the following provisions: education and awareness programme, promotion of safe sex (distribute condoms), facilitation of access to care and prevention of discrimination in the work place.<sup>11</sup>

## **3.4 Operation of Tourism Information Centre**

The MTEC and Lesotho Coop Handicraft will establish a managing arrangement for the tourism information centre and the association artisan support. In lieu of accurate management arrangements, this document refers to the “project management” as the individual our council responsible for the operation of the project post-construction. The PMU should work to ensure that the public-private partnership between MTEC and Lesotho Coop Handicraft includes clear procedures for operational arrangements and adheres to standards set out in the ESMP.

In terms of employee requirements, a lot of the requirements that apply to the construction period apply to operation of the tourism site. However, in addition, the project management must ensure training in emergency procedures, appoint a health and safety committee if the project employs more than 15 persons and the ESMP strongly suggests ensuring equal opportunities for prospective employees, beyond the legislative requirements on HIV/AIDS.

---

<sup>11</sup> Supplement No. 1 to Gazette No. 4 of 15<sup>th</sup> January, 2010. Labour Code (HIV and AIDS at the Workplace) Guidelines, 2010.

#### 4. Summary of Main Actions

The development of the tourism information centre mainly triggers mitigating efforts and monitoring in relation to the planned construction as outlined in Appendix 1. However, it is important to pay close attention to consultation and ensure an inclusive process to enhance the benefits, in particular in regards to inclusion of artisans.

Lesotho has laws and regulations that govern labour oversights, environmental protections and construction standards. However, weak oversight of adherence to laws, in particular in relation to construction standards must be taken into consideration and it may be necessary for the PMU to engage a third party monitor to provide inspections of building standards, including foundation, structures, electricity and plumbing.

## Appendix 1: Environmental and Social Management Plan

ISSUE	ESMP ACTION	RESPONSIBILITY	MONITORING INSTITUTION	TIMING	DESIRED OUTCOME	COST
<b>1. Consultations</b>						
1.1 Lease title	Verify lease to site (Lesotho Coop Handicrafts lease is available in Appendix 3)	Lesotho Coop Handicraft.	PMU	Once, prior to project start.	Legal ability to develop site.	None
1.2 Business plan	Establish an advisory group consisting of representatives from MTEC, existing tourism operators (tours/lodges), tourism attractions and Lesotho Coop Handicraft.	PMU and Lesotho Coop Handicraft to lead and coordinate.	MTEC	Prior to construction start.	Ensure that the business plan for the information centre accurately reflects the needs.	LSL10,000 annually towards meeting costs
1.2 Design & construction (activities under 1.2 may be combined)	1.2.1 Public consultation of design, business and construction plan.	Design and construction contractor.	PMU	Prior to construction start.	Public buy in and support. Transparency in development.	LSL1,500 towards meeting costs.
	1.2.2 Consultations and presentation of mitigating measures with business and residential owners in the near vicinity of the construction site. This includes craft vendors. Provide contact information to construction manager and PMU to report concerns during construction.	Design and construction contractor.	PMU	Prior to construction start. Follow up briefings scheduled if needed.	Minimal disturbance to adjacent business and residences. Build buy-in for project and ensure good neighbourliness. Seek to minimize impact and adhere to agreements established with neighbours during consultations.	LSL1,500 towards meeting costs.

<b>2. Design (and design revisions)</b>						
2.1 Fire protection	Ensure appropriate fire escapes and access to fire-fighting materials. Clear signage required for fire exits.	Design contractor.	PMU	Design phase/revision of design	Reduce fire hazards to minimum.	Negotiate cost based on required revisions of current design
2.2 Parking	Business plan to determine how much parking is required next to the building vs. ability to park on the adjacent street.	Design contractor.	PMU	Design phase/revision of design	Ensure accessibility.	Negotiate cost based on required revisions of current design
2.3 Environmental standards	Design should seek to incorporate local materials, adopt recycling and waste handling, soil standards and ensure resource conservation (incl. energy conservation). Environment Act, 2008 for standards (waste sec. 30, soil standards sec. 31).	Design contractor.	PMU	Design phase/revision of design	Environmental impact.	Negotiate cost based on required revisions of current design
2.4 Accessibility	Design should ensure accessibility for persons with disabilities to the building and to toilet facilities in particular.	Design contractor.	PMU	Design phase/revision of design	Ensure accessibility.	Negotiate cost based on required revisions of current design
<b>3. Construction (provisions to be included in contract)</b>						
3.1 Labour requirements	3.1.1 A minimum of 50 percent of workers engaged in construction of the information centre must be Lesotho nationals. Adequate records must be kept to ensure compliance. Contractor may be penalized if non-compliant.	Construction contractor.	PMU	Construction period.	Ensure skills transfer, economic opportunities.	Embedded in construction contract

	3.1.2 Compliance with the Labour Code of 1992, in particular: worker safety, timely and adequate remuneration (in accordance with most recent Gazetted Wage Order), record keeping, termination notice.	Construction contractor.	Random inspections by any official Labour Officer or Labour Commissioner	Construction period.	Ensure workers rights and occupational safety	Embedded in construction contract
	3.1.3 Provide a workers dispute resolution mechanism.	Construction contractor.	Any disputes that cannot be settled internally will be referred to the Labour Commissioner's office (Labour Officer)	Construction period.	Prevent labour conflict.	Embedded in construction contract
	3.1.4 Adequate and public workplace display of Gazetted Wage Orders and workplace policies.	Construction contractor.	Labour Officer or Labour Commissioner	Construction period.	Common understanding of labour rights and obligations.	Embedded in construction contract
	3.1.5 Ensure observation of regulation of working hours, overtime pay, sick leave, required rest periods and public holidays in accordance with Labour Code Section 117, 118, 121, 123 (and 120 if applicable).	Construction contractor.	Labour Officer or Labour Commissioner	Construction period.	Protect workers rights.	Embedded in construction contract
	3.1.6 Comply with restrictions for work of children and young persons in accordance with Labour Code, Part IX.	Construction contractor.	Labour Officer or Labour Commissioner	Construction period.	Prevent child labour.	Embedded in construction contract
	3.1.7 If any persons engaged in the project are non-nationals, compliance with Labour Code, Part XII is required.	Construction contractor.	Labour Officer or Labour Commissioner	Construction period.	Legal obligations.	Embedded in construction contract
3.2 Workers rights	Workers have the right to organize or join an existing trade union in accordance with Labour code, Part XIII and XIV. Discrimination (including sexual harassment) and interference in trade union affairs is presented in accordance with Labour Code, Part XV.	Construction contractor.	Labour Officer or Labour Commissioner	Construction period	Workers rights.	Embedded in construction contract

3.3 Occupational safety	3.3.1 Provide a secure (min 2m tall) construction fence. The fence needs to be located <b>inside</b> the lower wall on the perimeter of the site to allow current craft vendors to continue use of sidewalk.	Construction contractor.	PMU. PMU might engage private third party inspection.	Prior to construction start	Prevents theft and ensures public safety.	Embedded in construction contract
	3.3.2 Training and supervision for persons working with dangerous machines or at heights above 2m in accordance with Labour Code section 103.	Construction contractor.	Labour Officer or Labour Commissioner	Construction period	Worker safety.	Embedded in construction contract
	3.3.3 Notification of accidents or injury in required in accordance with Labour Code, section 101.	Construction contractor to notify Labour Commissioner.	Labour Officer or Labour Commissioner	Construction period	Worker safety.	Embedded in construction contract
	3.3.4 Notification of any occurrence of industrial disease in accordance with Labour Code, section 102.	Construction contractor to notify Labour Commissioner.	Labour Officer or Labour Commissioner	Construction period	Worker safety.	Embedded in construction contract
	3.3.5 Provide protective equipment and clothing in accordance with the Labour Code, section 109.	Construction contractor	Labour Officer or Labour Commissioner	Construction period.	Worker safety.	Embedded in construction contract
	3.3.6 Ensure adequate supply of potable water and sanitation in accordance with Labour Code, section 110. Non-compliance is subject to penalties.	Construction contractor	Labour Officer or Labour Commissioner	Construction period.	Worker safety.	Embedded in construction contract
	3.3.7 Prevent injury through training and limiting weights carried in accordance with Labour Code, section 108.	Construction contractor	Labour Officer or Labour Commissioner	Construction period.	Worker safety.	Embedded in construction contract
3.4 Building standards	3.4.1 Standards for electricity: inspections and approvals from Lesotho Electricity Company	Construction contractor	Lesotho Electricity Company	Construction period. Inspections, see appendix 2.	Prevent fires from faulty or unsafe wiring.	Embedded in construction contract

	3.4.2 Plumbing standards (water and sanitation): inspections and approvals from the Water and Sewerage Authority.	Construction contractor	Water and Sewerage Authority	Construction period. Inspections, see appendix 2.	Prevent leakage, health of occupants.	Embedded in construction contract
	3.4.3 Engineering standards of foundation and building, site approval.	Construction contractor	Maseru City Council. PMU will engage private third party inspection.	Construction period. Inspections, see appendix 2.	Structural safety of building.	Embedded in construction contract
3.5 Demolition	No demolition is required.					
3.6 Construction noise, traffic and dust	Ensure minimum impact. Use water sprayers to prevent dust. Traffic and construction related noise should be limited to ordinary business hours. Dust and noise should be managed in accordance with the Labour Code, section 106, 107 and Environment Act, 2008 Part IV for standards.	Construction contractor	Labour Officer or Labour Commissioner. Include in PMU's contracting of third party inspection.	Construction period	Public safety.	Embedded in construction contract
3.7 Waste management	Ensure that construction waste is adequately disposed of during construction. Disposal standards to be included in contract for refurbishment. Environment Act, 2008 sec. 30 for standards.	Construction contractor	MTEC. Include in PMU's contracting of third party inspection.	Construction and post-construction period	Ensure that waste is disposed of adhering to strict environmental standards.	Embedded in construction contract
3.8 Hazardous materials	No hazardous materials may be used as part of the construction. Should any such material be used or stored at the construction site it must be in compliance with the Labour code, section 105 and Environment Act, 2008 Part VII.	Construction contractor	MTEC. Include in PMU's contracting of third party inspection.	Construction period.	Ensure occupational safety.	Embedded in construction contract
3.9 HIV/AIDS	Insure that all workers receive appropriate guidance and are protected against discrimination in accordance with the Labour Code supplement on HIV/AIDS.	Construction contractor	Labour Officer or Labour Commissioner	Construction period.	Workers rights and safety.	Embedded in construction contract

<b>4. Operation of the tourism information centre</b>						
4.1 Emergency plans	Emergency plan must be developed and posted in project buildings. Ensure that staff and trainees appraised of procedures in an emergency and can assist the public if needed.	Project management	Labour Officer or Labour Commissioner	Prior to operational start.	Public safety.	Part of operating budget.
4.2 Health and Safety	If more than 15 people are employed that the premises, a safety and health committee must be established in accordance with Labour Code section 98.	Project management	Labour Officer or Labour Commissioner	On-going.	Employee safety.	Part of operating budget.
4.3 Equal opportunities (HIV/AIDS)	4.3.1 Insure that all employees receive appropriate guidance and are protected against discrimination in accordance with the Labour Code supplement on HIV/AIDS.	Project management	Labour Officer or Labour Commissioner	On-going.	Workers rights and safety.	Part of operating budget.
	4.3.2 Ensure equal opportunities in the work place by encouraging employment of women and persons with disabilities. Ensure equal access to training and managerial advancement to all employees.	Project management	Labour Officer or Labour Commissioner	On-going.	Promote strong principles for equal opportunities.	Part of operating budget.
4.4 Labour requirements	4.4.1 Compliance with the Labour Code of 1992, in particular: worker safety, timely and adequate remuneration (in accordance with most recent Gazetted Wage Order), record keeping, termination notice.	Project management	Labour Officer or Labour Commissioner	On-going.	Ensure workers rights and occupational safety	Part of operating budget.
	4.4.2 Provide a workers dispute resolution mechanism.	Project management	Labour Officer or Labour Commissioner	On-going.	Prevent labour conflict.	Part of operating budget.
	4.4.3 Adequate and public workplace display of Gazetted Wage Orders and workplace policies.	Project management	Labour Officer or Labour Commissioner	On-going.	Common understanding of labour rights and obligations.	Part of operating budget.
	4.4.4 Ensure observation of regulation of working hours, overtime pay, sick leave, required rest periods and public holidays in accordance with Labour Code Section 117, 118, 121, 123 (and 120 if applicable).	Project management	Labour Officer or Labour Commissioner	On-going.	Protect workers rights.	Part of operating budget.
	4.4.5 Comply with restrictions for work of children and young persons in accordance with Labour Code, Part IX.	Project management	Labour Officer or Labour Commissioner	On-going.	Prevent child labour.	Part of operating budget.

	4.4.6 f any persons engaged in the project are non-nationals, compliance with Labour Code, Part XII is required.	Project management	Labour Officer or Labour Commissioner	On-going.	Legal obligations.	Part of operating budget.
--	--	--------------------	---------------------------------------	-----------	--------------------	---------------------------

## Appendix 2: Construction Permits

This Appendix provides the overview of construction procedures and the required permits in Lesotho. The notes explain which are applicable to the site and who manages each requirement. This is not a formal part of the ESMP, but guidance on timing required to obtain permits in the construction process.

Process	Procedure	Time to complete permit*	Estimated costs	ESMP NOTE
1	If applicable, hire environmental specialist to prepare <b>environmental impact study</b>  Agency: Environmental Specialist	1 day	LSL 77,190	ESMP covers requirements.
2	If applicable, obtain <b>environmental impact assessment</b> from the National Environment Secretariat  Agency: National Environment Secretariat	25 days	no charge	ESMP covers requirements.
3	Request and obtain <b>construction guarantee</b> from bank  The construction company must go to a bank with a signed contract in order for the bank to issue a performance bond (or guarantee). The refundable cost is 10 percent of the project value, and it is deposited at the bank.  Agency: Commercial Bank	14 days	no charge	Construction contractor's responsibility. Overseen by PMU.
4	<b>Submit building plans</b> and diagrams and obtain approval  Agency: Maseru City Council	30 days	LSL 7,000	Construction contractor's responsibility. Overseen by PMU.
5	Request and <b>obtain building permit</b> from the Maseru City Council  The building permit is issued after inspection and approval of the building plans and diagrams. The following documents are necessary: lease (if applicable), building plans, and drawings along with a duly completed application form. The mandated time limit is 30 days, but it often takes longer.  Agency: Maseru City Council	65 days	LSL 3,250	Construction contractor's responsibility. Overseen by PMU.

Process	Procedure	Time to complete permit*	Estimated costs	ESMP NOTE
6	<p>Receive <b>on-site pre-approval inspection</b></p> <p>A lack of resources and capacity constrains the municipality's ability to carry out inspections during the construction phase.</p> <p>Agency: Municipality</p>	1 day	No charge	PMU will ensure independent inspection.
** 7	<p>Request <b>water connection</b> services</p> <p>The construction company should contact the water and sewerage authority to connect to the water and sewerage network. In practice, connection can take up to 6 months.</p> <p>Agency: Water and Sewage Authority</p>	1 day	LSL 4,000	Construction contractor's responsibility. Overseen by PMU.
** 8	<p>Receive on-site <b>inspection</b> by water company</p> <p>After the inspection is completed, the construction company is given estimates used to pay the connection fee.</p> <p>Agency: Water and Sewage Authority</p>	1 day	No charge	Construction contractor's responsibility. Overseen by PMU.
** 9	<p><b>Connect to water</b> services</p> <p>During construction the company usually already has a temporary connection. The construction company would then request a final one and all you need is the meter at the end. Temporary and final connection would take around a month.</p> <p>Agency: Water and Sewage Authority</p>	30 days	No charge	Construction contractor's responsibility. Overseen by PMU.
10	<p>Apply for the internal <b>inspection</b> at Lesotho Electricity Company (LEC) and await and receive inspection and obtain certificate</p> <p>A site inspection of the internal wiring is done before the application. The construction company</p>	11 days	No charge	Construction contractor's responsibility. Overseen by PMU.

Process	Procedure	Time to complete permit*	Estimated costs	ESMP NOTE
	<p>applies for testing of the internal wiring in person at LEC after the wiring has been completed. If the wiring passes the test, LEC provides a certificate. The certificate is then provided to owner.</p> <p>Agency: Lesotho Electricity Company Ltd (LEC)</p>			
11	<p>Submit <b>application</b> at Lesotho Electricity Company (LEC), await and accept estimate</p> <p>After depositing the application, the customer has to wait for the external inspection and after the external inspection for the estimate. Once the customer has accepted the quotation, he/she signs the contract and pays the quotation. The customer pays the quotation at the front desk of the utility and he obtains a final quote. If the customer decides to pay the quoted amount, he/she gets an invoice by the clerk and the customer pays the final quote at the cash office.</p> <p>Agency: Lesotho Electricity Company Ltd (LEC)</p>	21 days	No charge	PMU's responsibility.
12	<p>The utility's subcontractor carries out <b>external connection</b> works and meter installation</p> <p>Once the client has paid the quotation, the utility has to appoint a contractor from its existing list of registered contractors. Once the contractor has been awarded the contract, the contractors buy the relevant material. <b>Material used to be provided by the utility, but lately contractors buy the material.</b> The external connection works themselves take about one month. The meter is also installed by the electrical contractor. The meter is installed at the same time as when the connection is done.</p> <p>Agency: Lesotho Electricity Company Ltd (LEC)</p>	90 days	LSL 210,000	Construction contractor's responsibility. Overseen by PMU.
13	<p>Lesotho Electricity Company (LEC) inspects the works and commissions the meter</p> <p>Upon completion of the construction works (external works), the customer shall open an account at the utility. When the electrical contractor has finished the external connection works as per LEC standards they immediately report to LEC that the work is done. LEC would then go to the warehouse to inspect the works and to commission the meter (this is a sort of registration of the meter) and hand out a form/paper to the customer. LEC goes within 24hrs after the electrical contractor has reported that he is done with the house. The commissioning takes less than an hour.</p> <p>Agency: Lesotho Electricity Company Ltd (LEC)</p>	1 day	No charge	Construction contractor's responsibility. Overseen by PMU.

Process	Procedure	Time to complete permit*	Estimated costs	ESMP NOTE
14	<p>The customer opens an account at Lesotho Electricity Company (LEC), pays security deposit and electricity starts flowing</p> <p>Afterwards, the customer can go to LEC immediately to open an account. The warehouse would fall into the industrial category low voltage. For this category, LEC introduced a refundable security deposit of 26,000 Maloti flat fee. The customer can go to the LEC customer service office with the form/paper to open an account, pay the security deposit and to activate the meter in the LEC system and he/she can purchase electricity units at any service point, thereafter. The meter usually comes with 5 units from the manufacturers, which the customer will be using immediately after the private contractor has completed the external connection.</p> <p>Agency: Lesotho Electricity Company Ltd (LEC)</p>	2 days	LSL 10,167	PMU's responsibility.
* 15	<p>Request and obtain <b>telecommunications connection</b></p> <p>The cost of connection depends on whether the business on the premises belongs to a citizen or a foreigner. The cost is LSL 500.00 for local businesses and LSL 5,000.00 for foreign ones. With constant follow-up, it takes 30 days. Otherwise, it usually takes 180 days.</p> <p>Agency: Telecom Lesotho</p>	180 days	LSL 500	PMU's responsibility.
16	<p>Request and receive <b>final inspection</b> from Maseru City Council and obtain certificate to use warehouse</p> <p>There are several inspections that take place during construction and that are carried out by in-house project construction contractors, architects or engineers. Those inspections include excavation work, foundation work, concrete work, steel work for slabs, frame, damp-proof course, drainage, timber scaffolding, electrical. After completing the final inspection, the Maseru City Council issues a certificate authorizing use. By law, obtaining the occupancy permit can take up to 4 weeks (excluding inspection time). However, the occupancy permit is practically never or rarely issued, which breeds safety concerns.</p> <p>Agency: Maseru City Council</p>	11 days	No charge	Construction contractor's responsibility. Overseen by PMU. Independent inspection procured by PMU.

Source: Adjusted from World Bank and IFC Doing Business: Dealing with Construction Permits in Lesotho

\* Indicates the administrative time required for approval.

\*\* Takes place simultaneously with another procedure.

### Appendix 3: Lease for Project Site

[to be inserted after document is finalized]

### Appendix 4: People Met During ESMP Preparation

<b>Arts and Craft Vendors</b>	Basotho Hat craft store manager and weavers
	Street vendors at former Basotho Shield
	Vendors at Maseru Bridge (border)
<b>Ministry of Tourism, Environment and Culture (MTEC)</b>	Mr. Thato Mohasoa, Principal Secretary (PS); Director, Tourism
	Mpai Tseole (Director, Tourism)
	Lieketseng Selinyane
	Refiloe Ramone
<b>Lesotho Tourism Development Corporation</b>	Mamello Morojele
<b>Accommodation Rating Project</b>	James MacGregor, Ecoplanet

### Appendix 5: Handicrafts Associations Supported Through Project

Name	Membership 2015			Employment 2015		
	Total	Males	Females	Total	Males	Females
Hatooa Mose Mosali	8	1	7	7	0	7
Elelloang Basali	9	0	9	9	0	9
Morija Women	6	0	6	7	0	7
Positively Empowered Artisens	5	0	5	6	0	6
Nyenye Craft Group	4	0	4	4	1	3
Leribe Craft Centre	15	1	14	15	1	14
Likila Handicraft Cooperative	105	16	89	105	25	80
Maseru Tapestries	5	0	5	4	0	4
Master Art Work	5	0	5	5	0	5
Seithathati Weavers	8	0	8	8	0	8
Tsepang Ramabele Support Group	13	0	13	13	4	9
Tlou Ha E Hloloe Ke Moroalo	14	6	8	8	4	4
<b>Total</b>	<b>197</b>	<b>24</b>	<b>173</b>	<b>191</b>	<b>35</b>	<b>156</b>

### Appendix 6: Handicrafts Companies Supported Through Existing Program

Name	Membership 2015		Employment 2015		
	Male	Female	Total	Males	Females
Makolisang Litabe		Female	2	0	2
Rose Leather		Female	3	0	3
Haka Productions	Male		1	1	0
Kekeletso Botsane	Male		1	1	0
Sefatsa Pottery	Male		2	2	0

Matsepiso Leche		Female	1	0	1
Makauli Molise		Female	1	0	1
Marelebohile Mokafo		Female	1	0	1
Edith Thembane Mabaso		Female	1	0	1
Nkobo Jewellery	Male		3	1	2
Fusi Leather works	Male		4	3	1
NTTC Curio shop	Male		4	1	3
Malitsoanelo Leemisa		Female	1	0	1
Mapapiso 'Matli		Female	1	0	1
Manthabiseng Sabole		Female	1	0	1
Bead & Jewellery		Female	2	0	2
Copper Jewellery	Male		1	1	0
House of Thethana		Female	2	0	2
I do Beads		Female	3	0	3
Matsòsa Jewellery	Male		2	2	0
Sandstone Cavers	Male		2	2	0
Morai Cans	Male		1	1	0
Fashion Accessories		Female	1	0	1
Basia Baskets		Female	2	0	2
Mosh Clothing (pty) Ltd	Male		2	2	0
Has Dressmaking		Female	1	0	1
Stout Creative Designs	Male		2	1	1
Shine Mother Shine		Female	1	0	1
Thabang Maliehe Copper Jewellery	Male		2	2	0
Nosea Art and Crafts	Male		1	1	0
Thabang Khoboko Jewellery	Male		2	2	0
Ramohanoë Jewellery		Female	1	0	1
Rethabile Hlalele Jewellery		Female	2	0	2
Sekamaneng Crafts and Care		Female	1	0	1
Morateli Recyled Jewellery	Male		1	1	0
Mokete Aloe Products	Male		3	3	0
Litaba Crafts		Female	1	0	1
<b>Total</b>	<b>17</b>	<b>20</b>	<b>63</b>	<b>27</b>	<b>36</b>

## Appendix 7: Stakeholders Consulted for the Additional Financing

Note: Consultations conducted September 2016

Name	Title	Organization
Mr 'Masetumo Lebitso	Chairlady	LLMEA/LMC
Ms. 'Malisebo Mojaje	Manager	Leribe Crafts Center
Mrs 'Maneo Temeki	Chairperson	LWMEA/Seithati Weavers
Ms. Mateboho Mathibeli	Chairperson	Rose Leather Works

Mr. Tumane	Owner	Haka Productions
Mr. Fusi Khoali	Owner	Fusi Leather Khoali
Ms. 'Maleeto Monyau	Co-Owner	House of Thethana
Mr. Pasane Pasane	Co-Owner	Sandstone Carvers
Mr. Lehloa	Manager of shop	NTTC Curio Shop Ceramics
Ms. Maseka	Leading member	Likila handicrafts
Ms Mamello Morojele	Manager - Investment Promotion	Lesotho Tourism Development Corporation
Ms Lieketseng Selinyane	Director - Tourism (ai)	Ministry of Tourism, Environment and Culture
Ms Nthabiseng Sennane	District Cultural Officer	Ministry of Tourism, Environment and Culture
Ms Novundla Dlali	Cultural Officer	Ministry of Tourism, Environment and Culture
Mr Thabo Leanya	Principal Arts and Crafts	Ministry of Tourism, Environment and Culture

## Appendix 8: Existing Craft Projects

Note: inventory mapping as of 2013.<sup>12</sup>

Craft	Name	Location	Description
Artisan collectives	Lesotho Cooperative Handicrafts	Maseru	Sells products on consignment and regional products on a wholesale markup scheme. Four member organizations.
	Lesotho Mountain Crafts Cooperative		Represents 12 artisan groups. Supported by Action Lesotho in product development, design capacity and marketing.
	Maeder Crafts Center	Moriya	Fine art, home décor and fashion accessories. Runs educational arts program and apprenticeships.
Mohair weavers	Elelloang Basali (Be Aware Women)	Showroom in Teyateyaneng	Women's partnership established in 1997. Weave mohair rugs, tapestries, bags, tablemats, and knit mohair jackets. Use locally spun, dyed mohair – work to revive traditional Basotho Litema patterns.
	Leribe craft centre	Leribe	A project under the Anglican Church which trains and employs physically disabled and deaf women in spinning, weaving, knitting and crocheting. Products include table mats and runners, ponchos, shoulder bags, purses, scarves, stoles, shawls, knee-rugs, small tapestries and cushion covers.

<sup>12</sup> This chart is mainly informed by information accessible on the Internet, in particular through the site: [www.africancraft.com](http://www.africancraft.com).

Craft	Name	Location	Description
	Maseru xpTapestries and Mats	Raboshabane Road, Maseru	Association of 10 female weavers, mainly tapestry production from locally procured mohair.
	Seithati Weavers	Maseru West: 8km from Maseru Centre, direction of Mafeteng, at Ha Nelese	Partnership of 12 women. Weaves tapestries, rugs and bags.
	Heland Basali	Teyateyaneng	11 women with the St. Agnes Mission. Tapestries and rugs.
	Hatooa Mose Mosali	Berea district, at Ha Molemane	Women's collective of weavers and knitters.
	Basotho Hat	Maseru	Five women produce tapestries
	Hatooa Mose Mosali	Teyateyaneng	Womens weaving group. Produce tapestries, home décor items and felt fashion accessories. They sell their products in their shop and through select regional fairs.
	Setsoto Design	Teyateyaneng	The oldest weaving group in Lesotho. Weave tapestries and some home décor products that are sold in their shop in Teyateyaneng. The group also sells through an agent in South Africa and through their website to foreigners, mostly in America.
Grass weavers	Kopanang Basali Basket Weavers	Litsoetseng area, Thaba Tseka.	Women's collective in three villages. Weave liroto (baskets) made of local grass and natural dyes. The technique is traditionally Xhosa (South African).
	Rural and urban vendors	All across the country	Basotho hats are woven and vended on the streets of Maseru, but also in rural areas for personal use. Brooms, joala strainers (for traditional beer production) and floor mats
Quilters	Mabeoana Quilters	Just outside of the village of Matsieng.	Established in 1998, the women's collaborative produce quilts, wall hangings, bags and cushion covers.
Clothing	House of Africa	Maseru	Collaboration between ten women who produce modern apparel, home furnishings and crafts of mainly African design, using, to a large extent, African material. Work with artisans throughout the country.
	Basotho Hat	Maseru	Silk screen t-shirts.
Jewellery	Street vendors	Maseru and Maseru Bridge (observed, may be additional places)	Earrings incorporating traditional Basotho symbols, made mainly from copper.
	Unknown	Unknown	Traditional clay bead necklaces
Pottery	Basotho Hat	Maseru (observed, may be additional places)	The collective of artists carries a large assortment of items, including clay pots.
Molamus	Street vendors	All across the country	Molamus are the sticks carried by herd boys. The versions sold to tourists are often adorned with beads or wires.
Toys	Basotho Hat	Maseru	Basotho Hat sells dolls. But toys are also made with wires and recycled materials. Unclear whether these toys are marketed.
Sheepskin products	Basotho Hat, Maseru Bridge vendors	Maseru (observed, may be additional places)	Several vendors carry products, such as hats and slippers.

Craft	Name	Location	Description
Paintings	Street vendors	Maseru (observed, may be additional places)	Paintings depicting common Lesotho landscapes.

## Appendix 9: Tourism Sector Key Stakeholders

Organisation	Focus
Ministry of Tourism, Environment and Culture (MTEC)	Policy, regulation, planning, growth facilitation and data collection.
Lesotho Tourism Development Corporation (LTDC)	Destination promotion, market research, product development and training.
Lesotho Council for Tourism (LCT)	Serves as the umbrella organization for the private sector coordination and collective marketing (est. 2009).
Arts/craft collectives and associations	For example, Lesotho Coop Handicraft or Action Lesotho. Many diverse groups – some support rural livelihoods, others larger coordinating bodies of arts/craft sale.
Community based initiatives	Home stays, cultural and historic opportunities.
Tour operators (TOAL)	Tour promotions, packaging and collective promotion (member of LCT).
Lesotho Hotels and Hospitality Association (LHHA)	Sector coordination and joint marketing (member of LCT).
Chambers of Commerce	Address business interests and explore/promote tourism investment opportunities.
Museums and historic sites	Private/public. For example, Morija Museum & Archives.
Nature reserves	Maloti Drakensberg Transfrontier Project.
District tourism associations	Rallying the local community in support of the strategy.
Lesotho Highlands Development Authority (LHDA)	Facilitation and support for tourism development of LHDA property and assets.
Donors, NGOs	Donors or NGOs actively supporting, or interested in supporting development in the tourism sector. E.g. Peace Corp has supported arts and crafts.
Larger specific project initiatives supporting the sector	For example, Highlands Natural Resources and Rural Income Enhancement Project

Source: Adapted from Lesotho's National Tourism Strategy



