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ANNEX

of the Commission Decision on the financing of the annual action programme 2018 in favour of the Kingdom of Lesotho to be financed from the 11th European Development Fund

Action Document for "Support to Integrated Catchment Management in Lesotho"

1. Title/basic act/ CRIS number	<i>"Support to Integrated Catchment Management in Lesotho"</i> CRIS number: LS/FED/040-926 financed under the 11 th European Development Fund (EDF)	
2. Zone benefiting from the action/location	Southern Africa, Lesotho The action shall be carried out at the following location: Lesotho	
3. Programming document	National Indicative Programme (2014-2020) between the Kingdom of Lesotho and the European Union	
4. Sector of concentration/ thematic area	Water	DEV. Aid: YES ¹
5. Amounts concerned	Total estimated cost: EUR 39 000 000 Total amount of EDF contribution: EUR 28 000 000 The action is co-financed in joint co-financing by the German Federal Ministry for Economic Cooperation and Development (BMZ) for an amount of EUR 6 000 000. The action is co-financed in parallel co-financing by the Government of Lesotho for an amount of EUR 5 000 000.	
6. Aid modality and implementation modality	Project Modality Indirect management with the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)	
7 a) DAC code(s)	140 – Water and Sanitation, 100 %; sub-code 1: 14015, 100 %	
b) Main Delivery	Recipient Government – 12000 - Central Government 12001; Local Government 12002; Public corporations 12003; Other public	

¹ Official Development Aid is administered with the promotion of the economic development and welfare of developing countries as its main objective.

Channel	entities in recipient country 12004 and GIZ – 90000			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	The action will contribute to improving the environment and to adapting to climate change, support human development, while furthering food security through sustainable water resources, building upon the nexus "water-energy-food security" in Lesotho.			
10. Sustainable Development Goals (SDGs)	Main SDG on basis of section 4.1: Goal 1 No poverty, and Goal 15 Life on land. Secondary SDG on basis of section 4.1: Goal 13 and Goal 6.			

SUMMARY

The 11th EDF National Indicative Programme (NIP) 2014-2020 includes Water as one of three focal sectors of cooperation, support which will contribute to the implementation of the Lesotho National Strategic Development Plans (NSDP, and its successor NSDP II) with an allocation of EUR 69 000 000 after completion of the mid-term review (MTR). The NIP addresses the water sector from the broader perspective of water resources management, water services and climate change adaptation.

The 11th EDF support to the water sector will focus in a balanced manner on the resource side and supply side. While the support to water supply under the 11th EDF will be attended to

under a separate blending operation, on the resource side, the support to Integrated Catchment Management (ICM)² contributes to water resources, agriculture and the rural economy in Lesotho; as well as to Lesotho's adaptation to climate change. A countrywide introduction of ICM includes catchment rehabilitation driven by economic utilisation of natural resource products.

The specific objective of the proposed action is to have ICM institutionalised and under full implementation in Lesotho, based on gender equality and climate adaptation principles. This objective is building upon outputs of an effective and efficient sensitive and climate-resilient policy framework for ICM developed; effective and efficient institutions for ICM established, with equitable representation of women and youth; capacity, skills and knowledge of public, private sector and civil society for sustainable ICM facilitated and ICM measures implemented.

The above is also in line with the revised European Consensus on Development³. Higher value food production and introduction of non-traditional crops along smart agriculture concepts as results of ICM can all contribute to a socio-economic transformation in rural areas, with many new jobs created along the value chain. The Economic Partnership Agreement between the Southern African Development Community (SADC) and the EU (SADC-EU EPA) (Lesotho is a signatory) as ratified in 2016, together with the SADC Free Trade Area, could play an important role in facilitating such transformation, with ICM containing soil erosion and reversing the marginalisation of Lesotho's agriculture. Integrating the private sector in ICM will contribute to securing sustainable livelihoods, including access to water, for many households, helped by job creation, promoting the concept of shared benefits. A successful National ICM in Lesotho will also be a pre-requisite for sustaining the critically needed water supply from the Lesotho Highlands to Gauteng province, the industrial heartland of South Africa, and potentially also to Gaborone and other water scarce areas in Southern Africa.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

Lesotho is a lower middle-income country with a population of around 2.1 million people and a small economy. Gross Domestic Product (GDP) is about USD 2.2 billion, with a Gross National Income (GNI) of USD 1 210 per capita⁴. The country is landlocked within the borders of South Africa. The political situation in Lesotho remains rather unstable, with changing degrees of intensity, since an alleged attempted military coup on 30 August 2014. International mediation by SADC shortly thereafter led to an agreement for early elections in February 2015. The resulting coalition government of seven parties broke down in early 2017 as a result of a split in the main ruling party. This necessitated another snap election in June 2017, this time resulting in a new four-party coalition government. In early 2016, Budget Support under the 10th EDF was stopped for Lesotho due to non-compliance with the general eligibility criteria.

² Although all with slightly different emphasis in the approach, integrated catchment management can be considered encompassing/rather similar to watershed management; integrated water resources management; sustainable land management; landscaping etc.

³ New European Consensus on Development, OJ C 210 of 30.6.2017.

⁴ <http://data.worldbank.org/country/lesotho>

Water is one of the most important natural resources of Lesotho (apart from diamonds) and the water sector encompasses all aspects of life, the economy and the natural environment. The unique geographic location, high altitude and pristine natural quality of the mountain areas position Lesotho as the "Water Tower" of Southern Africa. As such, Lesotho's contribution to the annual run-off in the Orange basin is 40 % with only 3 % of the basin area. Around 30 % of all water supplied by Rand Water in Gauteng Province -with 12 million clients- is supplied through the **Lesotho Highlands Water Project (LHWP)**, while up to 40 % of the GDP in South Africa is generated in Gauteng Province. This indicates the huge importance of Lesotho's water to the Republic of South Africa (RSA) and the wider basin. At the same time, without improved resource management, the economic and human development in the wider basin is at risk.

Water and energy projects in the largely unserved rural areas in Lesotho are urgently needed, emphasising also the nexus between water and energy. South Africa and Lesotho cooperate in the LHWP, a complex programme of engineering works that provides revenue to Lesotho by transferring water from the catchment of the Senqu/Orange River in Lesotho to South Africa's major industrial and population centres. Botswana, Lesotho and South Africa recently signed a Memorandum of Understanding (MoU) for access to water from Lesotho to alleviate the structural water shortages in Gaborone.

Regional cooperation and water diplomacy should increasingly focus on making best use of the scarce water resources in the region by promoting water efficiency, water quality and catchment management. Tightening the alignment between regional and national programmes will also help in ensuring that the sectors that make most use of water in the Orange-Senqu River Commission (ORASECOM) countries (South Africa, Botswana, Namibia and Lesotho) do so efficiently.

The United Nations Economic Commission for Europe (**UNECE Convention**)⁵ is now open to all members of the United Nations (UN). Lesotho is not yet part of the Convention, while there are many benefits for Lesotho in a membership, in particular the possibility of receiving support in establishing agreements on transboundary water resources or strengthening existing ones, as well as the possibility of learning from experience of other members of the Convention. The Government of Lesotho has recently indicated that it is willing to consider signing up for the Convention.

Further, access to improved water services is still an issue in Lesotho. The 2016 Census⁶ revealed that whereas 97 % of the urban population has access to improved water services, this feature counts for only 80 % of the rural population. The Census report estimated also that only 44 % of Basotho are using improved sanitation facilities (around 50 % for urban and 34 % for rural).

Erosion in the catchment areas of Lesotho threatens traditional herding culture and livelihood as a result of overgrazing and land degradation. This reflects poor agricultural and land management practices, culturally determined land right practices and increasingly erratic rainfall. Increased use of natural resources for farming, grazing, and fuel has resulted in environmental degradation, posing both economic and governance challenges. Access to grazing land fuels communal conflicts, particularly during periods of drought. Human needs, like food production, are satisfied by clearing and draining wetlands, while dam building can

⁵ The Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention) aims to protect and ensure the quantity, quality and sustainable use of transboundary water resources by facilitating cooperation: <https://www.unece.org/env/water>

⁶ The Household Census 2016 by the Bureau of Statistics (BoS) has been made available in September 2017.

also deprive downstream wetlands of water. Arable land suitable for agriculture is below 10 % (270 000 hectares) of the total land area in Lesotho (3 million hectares). Annual depletion of natural resources is estimated at 4.6 % of gross national income and the country loses at least 2 % of its topsoil annually due to erosion. About 66 % of households live on degraded land⁷. Reversing the trend of degradation will require better planning for sustainable wetland management, as part of Integrated Catchment Management. This requires better monitoring of changes in wetlands, increasingly also through local communities depending for their livelihoods on the eco-system products of these wetlands. Sustainable soil management and smart agriculture practices can conserve natural regulatory processes.

1.1.1 Public Policy Assessment and EU Policy Framework

The policy goals of Lesotho, as set out in the **National Strategic Development Plan (NSDP)**⁸, the **Lesotho Water and Sanitation Policy (LWSP)** and **Vision 2020**, are still valid and justify the EU water policy support defined in the NIP.

The NSDP aims at reaching Lesotho's development goals set out in the Vision 2020. The Vision 2020 goals focus, amongst others, on developing a strong economy and a well-managed environment. This is to be achieved by boosting economic growth, developing key infrastructure, enhancing the skills base, reversing environmental degradation, and adapting to climate change.

Lesotho's water sector policy framework is relevant and credible. The LWSP (a revision was produced early 2018) is guiding the water sector strategies and planning. The policy addresses the right of access to affordable water services for all Basotho and promotes participatory approaches in planning and management of water resources and services. Policy objectives of the newly defined LWSP - 2018 are to promote adequate and sustainable supply of safe water and sanitation services; coordination and coherence in management and development of water and other related natural resources for socio-economic benefits, without compromising sustainability of vital ecosystems; harmonisation of processes and procedures followed by different development partners and other stakeholders in order to optimise available internal and external resources; an enabling environment for achieving the Sustainable Development Goals (SDGs) (particular reference to SDGs 1, 3, 5, 6, 13, 14 and 15) and development and implementation of the ICM approach throughout activities of the water sector.

The LWSP 2007 and the Water Act 2008 formed the foundation for the development of the **Long Term Strategy for Water and Sanitation (LTS)** in 2014, which has been enacted in 2016. Development of both the LWSP and LTS was carried out in a consultative and participatory manner. The LTS is in-line with the recent development of the decentralisation policy and the envisaged roles of Local Councils (LCs) in catchment management and water services.

Lesotho Meteorological Services (LMS), with support from Technical Assistance (TA) provided by the EU, recently completed a Climate Change Policy and Strategy, including a Sustainable Energy Strategy.

The Ministry of Water, through its **Department of Water Affairs (DWA)**, developed in 2016, with EU support a Framework for **Integrated Catchment Management (ICM)** which, under the leadership of a **National Inter-ministerial Catchment Management Committee (NICMC)**, will guide a harmonised approach in nationwide implementation of ICM. The formulation of this Framework has received much praise from stakeholders for setting out the

⁷ United Nations Development Assistance Framework for Lesotho 2019-2023 (Draft June 2018).

⁸ NSDP 2012/2013 – 2016/2017 has been extended by at least one fiscal year, to be succeeded by NSDP II.

way forward in ICM. The NICMC was inaugurated in November 2016, including its Technical Secretariat. Priority catchments have been identified using a specific tool for selection based on objectively verifiable parameters and assigned weights on relative importance. Establishment of **Catchment Management Joint Committees (CMJCs)** and Technical Secretariats at catchment level is the following step in this process of decentralising responsibilities in ICM. The DWA, with TA support from the EU, continues to work on the operationalisation of the ICM Framework, in anticipation of this Support programme to Integrated Catchment Management in Lesotho.

Assistance to the Bureau of Statistics for modernising its data collection and analysis capacity and to the monitoring and evaluation framework in the Ministry of Development Planning for performance assessment needs to be given high priority to improve performance-based sector budgeting and sector coordination. This assistance is currently provided under the TA component of Public Finance Management (PFM) under the General Budget Support (GBS) of the 10th EDF; while there will be a need to continue this assistance under the 11th EDF.

1.1.2 Stakeholder analysis

The key institutions in the water sector in Lesotho are, with their responsibilities:

- The Ministry of Water: sector ministry providing policy guidance and oversight over sector institutions;
- **The Commissioner of Water (CoW)**: planning and coordination of water sector activities;
- The Department of Water Affairs: monitoring, assessment and allocation of water resources;
- **The Department of Rural Water Supply (DRWS)**: water and sanitation to local councils and communities not covered by **Water and Sewerage Company (WASCO)**;
- Lesotho Meteorological Services (LMS): meteorological data collection and weather forecasts. Secretariat for climate change adaptation and mitigation activities;
- The Ministry of Health: sensitisation on hygiene and sanitation and data collection on water-borne diseases;
- WASCO: government-owned company responsible for water and sewerage services in major urban areas and for operation of bulk water services;
- **Lesotho Electricity and Water Authority (LEWA)**: regulation of electricity and water services;
- Lesotho Highlands Development Authority (LHDA): planning, implementation and operation of water activities in the Highlands, electricity generation and bulk water transfers;
- Metolong Authority (MA): Bulk water supply to Maseru region, through Metolong Dam and Water Supply Programme, and environmental and social management plan in the catchment areas;
- **Lesotho Lowlands Water Supply Unit (LLWSU)**: responsible for design of bulk water schemes for the Lowlands region.

Responsibilities for catchment management are divided between several sector ministries:

- The Ministry of Forestry, Range and Soil Conservation is responsible for rangeland management, forestry and soil conservation; earth dams, rainwater harvesting, erosion protection;

- The Ministry of Agriculture and Food Security supports crops and livestock farmers and, at a limited scale, irrigation;
- The Department of Environment is responsible for the overall regulatory framework for environmental management and pollution control;
- The Department for Water Affairs carries out functions related to wetlands management, water quality monitoring and pollution related to water resources;
- The Ministry of Local Government and Chieftainship promotes effective and sustainable land management and administration, rural and urban development in Lesotho as provided for under relevant legislation and national policies.

Decentralisation: The decentralisation process in Lesotho is sluggish. The 2014 Decentralisation Policy, which was expected to provide momentum, is taking time to be implemented, with devolution of functions happening at a much slower pace than expected and with low probability of fiscal decentralisation in the near future. The central government still performs service delivery through de-concentrated departments in the districts. This parallelism between local authorities and de-concentrated central government departments has largely stifled local government in Lesotho. Water sector activities are to be undertaken in cooperation with the Local Councils, once the functions are decentralised.

Sector Reform: Focus should be on the capacity of Local Councils to fulfil their envisaged roles as Water Service Authorities; on strengthening WASCO (water utility), DWA (coordinating and monitoring ICM) and LEWA (regulator of water services), and on strengthening the capacity of the CoW's Office on national level planning and supervising the implementation of major bulk water infrastructure. In the past, catchment management was not effectively addressed mainly due to a piecemeal approach at field level and a silo approach in ministries. It is anticipated that ICM will act as a broker in this sector reform.

Traditional Authorities, Civil Society and Private Sector: Chiefs and traditional leaders in cooperation with Councils have responsibilities as regards conflict resolution and land management, including rangelands, maintenance of water supplies in villages and grazing permits. Political leaders (Parliamentarians and Councillors) and especially Chiefs, as well as civil society organisations, are important stakeholders and potential change agents, especially in relation to building consensus on catchment management approaches or promotion of sanitation and hygiene. Livestock/grazing organisations are important champions for ICM. Non-governmental organisations (NGOs) like **World Vision** and **Catholic Relief Services (CRS)** are also active in natural resources management and are supporting farmers in improved farming techniques, rangeland management, etc. Community Based Organisations (CBOs, often informal) such as Village Water and Health Committees are key partners in the provision of water services outside WASCO's service areas. Community management has its challenges with only around 75 % of the water supply systems able to cover for their operation and maintenance cost.

The private sector in Lesotho is not yet involved in actual service provision such as operational contracts or Public Private Partnership arrangements for water and eco-system services, except for the Khubelu Sponges Project of GIZ where the private sector contributed significantly. However, as the Government is seeking growth potential in the Micro, Small and Medium Enterprises (MSME) sector, e.g. in horticulture and tourism, Private Sector inclusion is likely to increase as further elaborated in chapter 1.1.3.

Water Institute: The **National University of Lesotho (NUL)** intends to launch the inter-disciplinary Water Institute. Many of NUL's existing programmes and courses have already a component on water, but there is little coordination between the disciplines. The Water

Institute intends to coordinate interdisciplinary research, education and outreach programmes related to water, and to explore alternative ways of dealing with climate change, population growth and land use changes in order to avert their impacts on water resources.

1.1.3 Priority areas for support/problem analysis

The 11th EDF is proposed to support the water sector in a balanced manner regarding the resource and also supply side of water. There is therefore attention on catchment management, support to water supply (via blending) and support to sector coordination, planning and monitoring.

ICM in Lesotho will have to address the following challenges:

- Disproportional loss of (fertile) top soil;
- Diminishing agricultural production potential;
- Diminishing potential of the Water Tower to retain and deliver water (in quantity and quality);
- Siltation of (large) dams which are constructed to store water;
- Diminishing hydropower potential as a result of erosion.

Lesotho's catchments have still much potential for (socio)-economic development, if soil erosion is contained and marginalisation of agriculture is reversed. Rural communities need to be better connected to the broader economy. Key will be to use the economic productivity of water in the agricultural value chain, focusing on crops that have added-value potential, whether rain-fed or irrigated. Higher value food production and introduction of non-traditional crops alongside smart agriculture concepts (including improved knowledge, access to inputs, finance, markets etc.) can all contribute to such socio-economic transformation in the rural areas, with many new jobs created along the value chain. The EPA and the SADC Free Trade Area could play an important role, especially considering the regional market access. Some examples of the envisaged transformation along the value chain would be the pelletisation of exotic, and often invasive, tree species for use in improved woodstoves, and the processing of local bamboo, castor oil and industrial hemp production. A successful National ICM approach in Lesotho will also be a pre-requisite for sustaining the critically needed water supply from Lesotho to the wider Orange River basin.

The programme will therefore contribute to the environment, climate change, agriculture and food security, all themes relevant for Global Public Goods and Challenges (GPGC) flagships.

1.2 Other areas of assessment

N.A.

2 RISKS AND ASSUMPTIONS

The following risks can be identified:

Risks	Risk level (H/M/L) ⁹	Mitigating measures
Political instability as a result of breakdown of current coalition government. Instability can make sector policy dialogue impossible.	M	<ul style="list-style-type: none"> Continued emphasis on political dialogue and diplomacy, underlining the potential negative repercussions of instability on development cooperation. It is expected that this risk will be reduced over time.
Government Effectiveness – e.g. insufficient performance-based sector budgeting. No incentives can affect commitment to performance of LCs etc.	M	<ul style="list-style-type: none"> Support to PFM reform, including provision of TA by EU (ongoing); Support to Bureau of Statistics to improve data production (provided under 10th EDF).
Public Finance Management (PFM)– Budget comprehensiveness falling short, insufficient budget discipline, procurement flaws. Non-adherence to budget rules can erode discipline of e.g. LCs.	M	<ul style="list-style-type: none"> Support to PFM reform covering procurement compliance, including provision of TA by EU (ongoing); Support to Civil Service reforms (also supported by World Bank); Scrutiny of public sector wage bill.
Competing mandates / responsibilities resulting from non-alignment of administrative structures with catchments. Inefficiency in ICM planning and implementation.	M/L	<ul style="list-style-type: none"> Identify the important change agents in each specific case; Create awareness of, ownership for and commitment on ICM among such leaders of change and other key stakeholders through –among other activities- the implementation of a communication strategy that will be regularly monitored; Legislative harmonisation of mandates and responsibilities in water resources management.
Environmental change might arise from poor catchment management compromising water security of entire basin. Impact on livelihoods and on economy of Lesotho, as well as on the	H	<ul style="list-style-type: none"> Robust and urgent awareness raising at all levels. High profile demonstration projects combined with effective communication campaigns to be implemented; Focus on professional capacity for

⁹ Risk level: H=high, M=medium, L=low.

whole region.		"water science" to enable Lesotho to effectively address catchment management and negotiate strongly for transboundary benefits of improved catchment management.
Government not prioritising capacity development and planning/Monitoring and Evaluation (M&E) tools and systems. Impact on cost effectiveness of investments.	M/H	<ul style="list-style-type: none"> Continued awareness raising on the benefits at high level, combined with performance targets for staffing levels and recurrent budgets; Raise profile of sector through communication of the results; Assistance to the Bureau of Statistics.
Decentralisation process encounters institutional obstacles that slow down progress. Stalling of decentralisation erodes commitment of Local Councils.	M	<ul style="list-style-type: none"> Performance targets for capacity of the local councils; Performance targets for number of projects funded through the proposed sustainable financing mechanism (as precursor for a fully operational Local Development Grant Facility); The Government of Lesotho clarifies responsibilities of administrative structures (i.e. Councils and District Administrators) and the chiefdom structure for effective implementation of ICM.
Professional capacity in key sectors not adequate for effective utilisation of ICM funding. Reduced cost efficiency of investments.	M	<ul style="list-style-type: none"> Incentives in employment contracts for attracting scarce skills; Flexibility and mobility for highly experienced staff; Cooperation with universities and training institutions; Support to professional associations.
Lack of political willingness hampers establishment of autonomous financing mechanism. Fully operational Local Development Grant Facility will also be at stake.	M	<ul style="list-style-type: none"> Create awareness of and commitment among ICM leaders on importance of autonomous decision making status of sustainable financing mechanism; Ensure full involvement of the LCs into decision-making process in Fund, to increase their oversight for exerting control.

Enforcement of regulations related to environmental management not prioritised. Non-adherence can result in ineffective catchment management.	M	<ul style="list-style-type: none"> • Development of comprehensive Catchment Management Guidelines that effectively define roles of stakeholders in enforcement of environmental regulations; • Facilitating regulations that create an equitable and transparent framework for private initiative to development and sustainable utilisation of natural environment; • Awareness raising at all levels to build political interest.
Risk of communities not adopting the ICM practices. Not buying in will lead to unsustainable catchment management.	M/L	<ul style="list-style-type: none"> • Focus during start-up of ICM programme on quick benefits, generating benefits / increased income and employment for local communities; • Awareness raising activities at all levels, e.g. as was done through the responsible herding campaign of Participatory Initiative for Social Accountability (PISA) (see 3.2); • Demonstration projects combined with effective communication campaigns.
Unclear situation on right of use of unused (farm) land. People moving to town not handing over to newcomers, who are forced to plough rangeland.	M/L	<ul style="list-style-type: none"> • Better enforcement of regulation ruling the re-allocation of unused land; • Awareness raising on the consequences (erosion) of converting unsuitable rangeland to plots for arable cropping.
Assumptions		
<ul style="list-style-type: none"> • Decisive action taken to change the present ineffective and piecemeal approach to catchment management; • Capacity needs including at local level are given priority by the Government over short-term immediate needs; • Continuation of the present political drive for decentralisation; • Attracting and retaining professional staff in the Government will improve; • Regulations on integrated catchment management will be enforced; • Continuing coordination takes place in the sector. 		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

Catchment management activities in the form of sustainable land use, management of livestock on rangelands, improved agricultural practices and similar have been carried out quite extensively in Lesotho, with varying level of success. Several of these programmes were implemented through line-ministries, often with donor support. The main issue has been that most initiatives in the past have been conducted in a compartmentalised way, without the required links within the framework of a catchment. Involvement of local communities is often not optimal: informing them instead of involving and empowering; cash for work seen as main benefit, not how catchment works will benefit the community as a whole.

DWA is the lead entity in the coordination of all ICM activities in Lesotho. There are also three agencies with catchment responsibilities: the Metolong Authority, the Lesotho Highlands Water Project and the Lowlands Water Supply Unit, all engaged to various extents in ICM. The first two have explicit programmes, while the third has an implicit plan through Environmental Impact Assessments (EIA) of their water supply investments. Sustainability of several of these past initiatives in ICM has been questioned.

As part of the operationalisation of the ICM Framework, a workshop was held in July 2017 with a broad representation of stakeholders (government representatives, non-governmental and civil society organisations) on practical implementation of activities and measures aiming at slowing down, stopping and reversing degradation of catchments.

Issues identified concerned the often confusing and overlapping legal framework with regard to land and water management, and the lack of enforcement and low fines for disobeying local by-laws. One can broadly identify two approaches: projects where the ICM/land and water management plan was developed by an external consultant, top-down, with the local communities often more informed than actually involved. In another group of projects, the lowest level stakeholders were central in planning and implementation, and the focus was more on self-help, on change of methods (e.g. high-density grazing as opposed to free grazing). Interesting is that in the first group the communities received payment for the work done in their own area, while the second group stressed self-help, whereas ICM interventions supported the communities with knowledge and limited support in materials and logistics.

Lessons learnt indicate two critical problems: one at national level, concerning the overall legal and regulatory framework, as well as the (lack of) cooperation between various government organisations. The slow progress in decentralisation is part of this level. The other issue is how to involve local communities, stakeholders at the grass root level. The national level seems to be operating mostly separately from the grass root level. Lessons learnt from previous major investments in ICM therefore have to be applied and previous shortcomings must be avoided in future ICM programmes.

3.2 Complementarity, synergy and donor coordination

The Ministry of Water over the last nine years headed the Water Sector Coordination Forum, with quarterly meetings and annual sector reviews. Participation in the meetings/reviews has improved greatly over the years and includes development partners as well as ministries engaged with the "broader water sector", the private sector and civil society. Although the exchange of sector information among stakeholders has greatly improved, the Forum's advisory function to the Government concerning e.g. management and utilisation of water resources has still to be further developed.

Linkages to the 11th EDF support to the energy sector and to governance are many and very important for the successful implementation of the 11th EDF support to the broader water sector and economic development in general, including for creating and sustaining jobs.

The linkages to the energy sector include: hydropower planning and catchment management and development plans; energy requirements for irrigation, market centres and for cold storage; increased biomass availability from improved catchment management; fuel pellets production from removal of invasive species combined with promotion of fuel efficient stoves; and sewerage treatment and biogas.

The linkages to the governance support under the 10th and 11th EDF and EDF include the progress in the decentralisation process and capacity in local councils for procurement, contract management and financial management; democratisation at local level to ensure effective and gender sensitive participation at community level including through the Participatory Initiative for Social Accountability (PISA)¹⁰; capacity for effective parliamentary oversight on financing of the water sector; continued improvements in Public Financial Management reform and fiscal decentralisation; improvements to the public service conditions and working environment; and awareness raising and communication including access to information and data sharing.

The upcoming National EPA Implementation Plan can take ICM into account. Technical cooperation would need to be closely coordinated with other Development Partners. This would in particular be important for the ongoing - and possible continuation of - World Bank support to the water sector.

3.3 Cross-cutting issues

This programme is relevant for the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of SDG 15: Life on land, and SDG 1: Poverty eradication, and also promotes progress towards the Goals on climate action (SDG 13), and clean water and sanitation (SDG 6).

The ICM activities supported by the 11th EDF are expected to have a positive environmental impact by facilitating sustainable catchment management and development, providing also opportunities for improving environmental awareness. The implementation activities, and in particular the economic development deriving from the catchment management activities, are expected to provide job opportunities. Adaptation to climate change and biodiversity is expected to be also positively affected by the catchment management approach.

The situation in Lesotho is unique with higher participation rates in education for females, and relatively balanced gender representation at management level. However, the herding of livestock is usually left for young boys who often have not attended primary education. Lesotho is ranked first in Africa and sixteenth in the world on bridging the gap between the sexes, and has adopted several gender-sensitive laws. However, societal abuse of women and children and gender-based violence (including issues related to inheritance) are among the most significant human rights problems in the country. Cultural norms and attitudes continue to reduce womens' ability to take advantage of possible opportunities and limit their role as part of the national human capital development. Considering the gender disparity in all spheres of Basotho society and to overcome specific barriers, this Action emphasises gender equality as a cross-cutting issue, promoting equal access to and control over e.g. ecosystem

¹⁰ PISA is a nationwide decentralised civic education programme in Lesotho co-financed by the EU and the German Government. The rationale is to build capacities of citizens and duty bearers as well as promote systems for inclusive dialogue that will enable collaborative community responses to service delivery problems.

services –including water etc.- generated as a result of ICM, and the equitable engagement in management thereof; also targeting gender-focused organisations involved in ICM.

The ICM programme will contribute to the implementation of the Gender Action Plan II. Through emphasis on equal access to and control over ecosystem services for women and youth, including equitable engagement in the management of clean water and new agricultural products etc. (see 3.3), the ICM programme can contribute to the economic and social empowerment of the latter. Specific emphasis will therefore also be placed on balanced representation of women and youth in ICM structures.

A range of gender differentiated data is available in the Bureau of Statistics (BoS) reports e.g. in relation to wealth, education and health, as well as responsibility for collecting water. Generally, detailed gender differentiated data on the access to and use of water supply and sanitation services are not available since the BoS surveys for access to water and sanitation are household-based, and therefore not person-specific.

Youth issues will be addressed as cross-cutting theme considering the fact that Lesotho has one of the highest unemployed youth populations in the world. Accordingly, empowerment of the youth will be prioritised in capacity development for ICM.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

The Mid-term Review (MTR) in early 2017 indicated that the EU would prefer combining grant funds and blending.

This programme is relevant for the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of SDG 1: No poverty and SDG 15: Life on land, but also promotes progress towards SDG 13 and SDG 6. This does not imply a commitment by the Lesotho benefiting from this programme.

The overall objective of the action is to promote socio-economic development, as well as adaptation to climate change. The EU support to the water sector will specifically address the NSDP objectives on water and sanitation, agriculture and rural economy. The action will contribute to improving the environment and to adapting to climate change, while furthering food security through sustainable water resources and utilising opportunities of the green economy, building upon the nexus "water-energy-food security" in Lesotho.

Therefore, the specific objective of the proposed action is ICM institutionalised and under full implementation in Lesotho, based on gender equality and climate adaptation principles.

The expected outputs of this Action are:

- Output 1: Effective and efficient gender-sensitive and climate-resilient policy framework for Integrated Catchment Management (ICM) is developed;
- Output 2: Effective and efficient institutions for ICM are established, with equitable representation of women and youth;
- Output 3: Capacity, skills and knowledge of public, private sector and civil society for sustainable ICM is facilitated;
- Output 4: ICM measures are implemented;
- Output 5: Capacity strengthened for coordination, monitoring, supervision and general programme management (CoW; DWA; DRWS, MA).

4.2 Main activities

Activities to be undertaken under the Integrated Catchment Management (ICM) programme can be distinguished in those necessary for establishing the institutional structures for implementing ICM (capacity development) and those activities which are more aimed at watershed improvement (whereas infrastructure can be one solution on-hand) to reinforce the sustainable use of natural resources.

Capacity development will have to concentrate on the development and implementation of a policy framework for ICM. Policies of critical concern are the rangeland management policy, the climate change response policy and strategy, the Local Government Act, ICM guidelines, and the required framework for public private partnership arrangements in ICM etc. In addition to this, effective and efficient institutions for ICM need to be established and further re-enforced on their ICM tasks, e.g. the "National Inter-ministerial Catchment Management Committee" (NICMC), including its Technical Secretariat, and the Catchment Management Joint Committees in the main catchments, including their Technical Secretariats. The involvement and buy-in of the chieftainship structures to the ICM process will be essential. Advisory services for agricultural business development need to be further strengthened. Roles, responsibilities and mandates of the different actors in ICM need to be harmonised. The capacity, skills and knowledge of the public, private sector and civil society for sustainable and gender-sensitive ICM will have to be facilitated, whereas modern sensitisation tools such as animation could be applied. Research in ICM will have to focus specifically on sustainable soil management and improved agricultural practices suited for the Lesotho situation.

With ICM concepts and plans becoming clear, a communication strategy -defining objectives of the strategy (increased awareness, changed attitude, changed behaviour), target audiences/stakeholder groups, messages for these specific audiences, different means used to convey these messages, and an evaluation system -that measures how effective the messages are- will have to be simultaneously implemented.

An incentive system whereby local communities/ICM structures can be rewarded for performance through an increase of budget allocation for the following year and/or an annual competition for awarding the "Lesotho ICM champion of the year" could be part of the process of furthering ICM attitudes and behaviour among communities.

Finally, ICM annual plans in the sub-catchments need to be developed and implemented with strong involvement of Local Councils and decentralised line-ministries offices. Activities under such plan could be, but are not limited to, terracing for increased arable production; re-grassing, re-vegetation and removal of shrubs through high density grazing and mobile kraaling for improved livestock production; rainwater harvesting for more water security; rehabilitation of degraded wetlands through storm water structures like concrete weirs, rock-filled gabions, gabion walls, rock packings; marking of "no-grazing" zones; protection of animal drinking places; promotion of improved agricultural practices and markets (value chain); etc.

4.3 Intervention logic

The Integrated Catchment Management (ICM) in Lesotho will be applied in a phased approach:

- Phase 1: The ICM programme would ideally start with a small selected group of priority sub-catchments implementing capacity development and modest ICM action plans;

- Phase 2: The programme can then slowly expand its operation in following years to a new group of sub-catchments, building upon lessons learned and good practices accrued;
- Phase 3: The programme rewards those sub-catchments which successfully implemented their ICM action plan with increasing annual budget allocations.

The above approach would mean that the initial complexity and level of detail in the ICM plans of the prioritised sub catchments should be limited, working with a modest budget per sub-catchment to start with. A continuously forward-rolling ICM programming, to be reviewed each year in the selected priority sub catchments through an improved and updated plan of action, will be applied. The implementation of activities will initially be mainly through contractors, in cooperation with the communities. Over time, more and more ICM activities can be implemented through government-led ICM financing mechanisms, like the Local Development Grant Facility.

A scoping study on water had already identified in early 2015 the areas of attention for support to the water sector under the 11th EDF. The water sector elaborated a very balanced Long Term Water and Sanitation Strategy in 2014 (LTS), which was gazetted in 2016. The decentralisation process is taking more time than expected to gain momentum, with devolution of functions happening at a much slower pace than expected and with low probability of fiscal decentralisation to start in the near future. The implementation of the LTS, with Local Councils responsible for water and sanitation services and catchment management activities, could present however a good entry point for testing the decentralisation policy.

Erosion in Lesotho, which is mainly caused by overgrazing, unsustainable land management practices and indiscriminate mining of woody biomass from hills, has several negative consequences (see also 1.1.3). It can be reversed with the right technical measures based on comprehensive Catchment Management Guidelines, for which implementation the institutional capacity at national and local level will have to be reinforced and for which effective coordination among all stakeholders will be required.

The five expected outputs will all be essential for the changes the Action wishes to bring about, as has been formulated in the specific objective. The change up from the Specific Objective level (impact and sustainability factors) will be a lengthy process rather than a project of some years. Assumptions along the results chain from outcomes up concern e.g. a government remaining successful in enabling the environment for effective integrated catchment management through the organisational entities in the ICM structure, including the pivotal role assigned to the NICMC. Continuing efforts by the Government in securing and maintaining involvement of the private sector in ICM for water and eco-system services will be essential. It is assumed that the outputs of the project will be accessible and efficiently used by stakeholders, i.e. the Guidelines will be used for the management plans with high-level commitment and equal involvement of the related stakeholders and beneficiaries, thus, assuring the contribution to the efficient implementation of the policies and defined ICM structures. Further, it is assumed that the Government will proceed with several key policy and legal instruments, supported by the project, to make the usage of new ICM approaches smooth and efficient, preventing further erosion and land degradation. The proposed ICM structures will allow equal access to the participatory decision-making process in ICM for all stakeholders.

Political will needs to be assured to establish a sustainable financing mechanism (which could be in the form of an ICM Trust Fund or else), as a pre-cursor to a fully operational Local Development Grant Facility, once decentralisation has gained momentum. This Action will

therefore be a transition phase towards a government-implemented ICM programme. The autonomous decision-making status of the financing mechanism will be essential. It seems feasible that by 2023 the financing mechanism is fully institutionalised and operational in disbursing. This means that in order to be able to meet spending targets in the first years of the programme it will be important to remain flexible as to the implementation modalities available (e.g. sub-contracting, for measures which cannot be implemented by communities).

Budget allocations to local councils, community councils and communities for the 74 sub catchments will be done based on approved annual ICM action plans by the CMJCs. It is expected that through this Fund also optimal use can be made of the existing capacity in the sector through subcontracting where applicable e.g. line ministries, UN organisations, NGOs etc. for dissemination of climate smart agriculture approaches; (public) works programmes in watershed interventions; introduction of sustainable land management practices and for capacity development to implement ICM activities etc.

Taking forward the example of the good work of the Water Sector Coordination Forum, stakeholders and institutions within the water sector will have to remain committed to ICM, which will mean for many line ministries a change of mind-set in having to cooperate and coordinate better with each other, leaving also much of the decision making authority and implementation responsibility for ICM with the Local Councils. A government continuing to exercise political willingness and leadership to tackle environment degradation and a water sector remaining committed to cooperate on required changes are conditional for outcomes to contribute to the expected impact.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.12 will be carried out and the corresponding contracts and agreements implemented, is **60 months** from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of Regulation (EU) 2015/322.

5.3 Implementation of the budget support component

N.A.

5.4 Implementation modalities

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation.

5.4.1 Indirect management with a Member State agency

This action may be implemented in indirect management with the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ). This implementation entails to support the management of natural resources in Lesotho that adapts to climate change and maximises

socio-economic development benefits, based on a principle of equal gender access and control, without compromising sustainability of vital ecosystems and services. This implementation is justified because GIZ has already valuable experience in ICM in the country through the Khubelu Sponges Project.

The ICM programme in Lesotho can learn from the set-up of the EU supported Sustainable Land Management programme of the Ethiopian Government, where GIZ has helped to design and set up a similar programme. GIZ has proven to be an efficient and effective implementing partner in Lesotho, reason also for the Minister of Water through its Department of Water Affairs to approach GIZ to become their implementing partner for ICM. GIZ has strong track records in the field of decentralisation and capacity building of local authorities in Lesotho, all important for ICM. GIZ has already management capacity and infrastructure in the country, which could be utilised for the implementation of this programme. The co-financing by the German Federal Ministry for Economic Cooperation and Development (BMZ) co-financing will allow the achievement of the expected results more efficiently.

It is expected that under the delegated cooperation optimal use will be made of existing capacity in the sector (e.g. Food and Agriculture Organisation (FAO) for dissemination of climate smart agriculture approaches; World Food Programme (WFP) – Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG ECHO) for public works programmes in watershed interventions; NGOs like CRS and World Vision for sustainable land management practices and capacity development etc.) through subcontracting where applicable.

The entrusted entity would carry out the following budget-implementation tasks, among others: managing the financing mechanism for public procurement, grant and financial instrument award procedures and of concluding and managing the resulting contracts.

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6 Indicative budget

Activities	EU contribution (in EUR)	Indicative third party contribution (in EUR)
5.4.1. Indirect management with the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)	27 500 000	6 000 000
5.9 – Evaluation, 5.10 - Audit	400 000	-
5.11 Communication and visibility	100 000	-
Total	28 000 000	6 000 000

The present Action will be co-financed **in parallel** by the Government of the Kingdom of Lesotho with a contribution of EUR 5 000 000¹¹.

5.7 Organisational set-up and responsibilities

The ICM implementation is a very large undertaking, which is beyond the present capacity of the Government of Lesotho organisations and institutions. The contracting authority for the cooperation with GIZ shall therefore be the Delegation of the European Union to Lesotho. It is foreseen that at first many of the functions need to be delivered by the GIZ project organisation, including not only the capacity to deal with ICM budgets but also, where needed, the responsibilities.

It is important to clearly identify and agree on the roles and responsibilities of the Government and the various NGOs, to ensure that they can carry out their role with confidence. A process where the Government of Lesotho organisations take over more responsibilities and tasks as they build their capacity will be made part of the project organisation design.

The Long-term Water and Sanitation Strategy emphasises the importance of establishing gravity of ICM implementation at catchment and community level. This is reflected well in the structure for ICM Organisation where the arrangement of different organisational entities in ICM and their related roles are defined.

5.8 Performance monitoring and reporting

A strong and efficient monitoring and evaluation unit within the implementation programme organisation needs to be set up, using state of the art data gathering techniques (using smart phones, automated data processing etc.). Data collection and analysis should be as close to real-time as possible, to allow the information to be used as management information. An internal annual performance review system should be part of the M&E system, by which funding can be steered to those sub catchments, Community Councils and local communities

¹¹ This contribution remains therefore outside any audit obligation for GIZ.

that are successful in implementing ICM and in taking initiatives, while reducing funding to those that are clearly challenged and thus underachieving.

The day-to-day technical and financial monitoring of the implementation of this action will therefore be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 Evaluation

Having regard to the importance of the action, a mid-term review and an ex-post evaluation will be carried out for this action or its components, either via independent consultants contracted by the Commission or through a joint mission via the implementing partner.

The mid-term review will be carried out for learning purposes, in particular with respect to accruing lessons learned and best practices for corrective measures in the ICM approach applied (e.g. quality of ICM action plans; funding to sub catchments, Community Councils and local communities; incentive system applied for good performances etc.).

The ex-post evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the ICM approach in Lesotho could well be replicated, or provided useful experiences for other African countries.

The Commission shall inform the implementing partner at least **one** month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one or more contracts for evaluation services shall be concluded under a framework contract halfway implementation of the action in 2021 and earliest in 2024 after completion of the action.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for audit services shall be concluded under a framework contract at the earliest in 2024 after completion of the action.

5.11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.6 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations. Indicatively, one contract shall be concluded under a framework contract, earliest in 2020.

6 PRE-CONDITIONS

N.A.

APPENDIX 1 - INDICATIVE LOGFRAME MATRIX¹²

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	Integrated Catchment management facilitates socio-economic development and adaptation to Climate Change in Lesotho	1. Number of people benefiting indirectly from implementation of ICM - improved resilience to climate variability, where available disaggregated by sex (**, level 1, 1, 8 & 22)	2018: 0 persons benefitting; no measures under ICM framework yet implemented	2023 1,000,000 persons benefitting (indirectly ¹³ , of which at least 50 % women)	Annual programme reports BoS / line ministries reports	
		2. Number of individuals with increased income / revenue from ICM	2018: 0 individuals with increased income, as no ICM	2023: 20,000 individuals with increased	Annual programme reports	

¹² Indicators aligned with the NIP Sector Intervention Framework – Sector 1 – Water are marked with "*" and indicators aligned to the EU Results Framework with "***".

¹³ Indicators for ICM can also be distinguished in those affecting direct beneficiaries (actual ICM involvement at individual/community level: farmers, associations, households which are directly benefiting from ICM activities) and those related to benefits for indirect beneficiaries, often downstream. Indirect benefits can be assigned to part of population in Lesotho e.g. profiting from longer lifespans of reservoirs in large dams resulting in better services (e.g. more water security for Maseru) and also in the form of more royalties and fees paid to the Government. Indirect benefits can even be trans-border.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
		measures (**, level 1, 1)	measures yet implemented	income	BoS / line ministries reports	
Specific objective: Outcome(s)	ICM institutionalised and under full implementation in Lesotho based on gender equality and climate adaptation principles	1. % of Local Councils (LCs) in supported sub-catchments which implemented > 75 % of their ICM Plans (*, 1.1.2)	2018: no Local Councils in supported sub-catchments with developed ICM Plans	2023: 80 % of LCs in supported sub-catchments implemented > 75 % of their ICM Plans	Annual programme reports	
		2. Volume of project proposal funding disbursed by financing mechanism to community organisations, CMJCs & LCs etc. (*, 1.1.2)	2018: Financing mechanism not existing	2023: minimum EUR 2,000,000 in 5 th year of action	- Reports Financing mechanism / programme documents	Autonomous decision making status of Financing mechanism secured
		3. Monetised in-kind contribution of farmers and corporates to ICM implementation	2018: 0 in-kind contribution of farmers and corporates	2023: Farmers: LSL 2,000,000; Corporates: LSL 3,000,000	Ministry of Agriculture & Food Security reports	Counting methodology to be developed under programme is effective
		4. Monetised financial contribution of farmers and corporates to ICM	2018: 0 financial contribution of farmers and	2023: Farmers: LSL 1,000,000; Corporates: LSL	Ministry of Agriculture & Food Security	Counting methodology to be developed

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
		implementation	corporates	1,500,000	reports	under programme is effective
		5. Number of women with meaningful economic activity through this Action	2018: 0 women with economic activity through this Action	2023: 2,000 women with ec. activity through this Action	Annual reports ICM programme / ROM / MTR	Counting methodology to be developed under programme is effective
	1. Effective and efficient gender sensitive and climate-resilient policy framework for ICM developed and applied (i.e. rangeland management policy; climate change policy & strategy; local government act etc.)	1.1 Status of ICM related policies (see also list in scoping study water 2015) (*,1.1.3)	2018: some critical policies and strategies for ICM have no legal status yet	2023: All critical ICM policies and strategies finalised for gazetting by Cabinet	Water Commission (WC) reports ROM / MTR	Procedure for timely approval / enactment within Government efficient and effective
		1.2 Status of ICM guidelines, including countrywide roll-out (*,1.1.2)	2018: Framework for ICM available, guidelines being tested	2023: Countrywide roll-out of ICM guidelines	DWA reports ROM / MTR	
		1.3 Status of ICM implementation monitoring in Water Sector Coordination Forum (WSCF) with stakeholder interests	2018: ICM issues discussed in Forum meetings, of which private sector and civil society are also	2023: All ICM activities reported to WSCF and approved, with participation from private sector and	DWA reports / WSCF minutes /	Private sector and civil society remain committed participants of WSCF

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
		represented in balanced manner	part	civil society	ROM / MTR	
Outputs	2. Effective and efficient institutions for ICM are established, with equitable representation of women and youth.	2.1 Number of CMJCs and their Secretariat with mature ¹⁴ operational plans and equitable representation of women/youth (*,1.1.1 & 1.1.2)	2018:0 CMJCs	2023: 6 CMJCs and their Secretariat with mature operational plans	DWA reports /	
		2.2a - % of women in ICM institutions	2018: 0 % women	2023: > 30 % women in ICM institutions	Annual reports ICM programme / &	Commitment and equitable participation by the stakeholder groups
		2.2b - % of youth in ICM institutions	2018: 0 % youth	2023: > 10 % youth in ICM institutions	ROM / MTR	
		2.3 Legal status of Financing mechanism	2018: no procedures and audit rules for Financing mechanism	2023: Fully equipped Financing mechanism with	DWA / WC reports Annual reports ICM	

¹⁴ Maturity of plans as a qualitative parameter will be defined for its benchmark under the guidance of the Water Sector Coordination Forum (WSCF) and preferably on an annual basis.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
				procedures and audit rules	programme ROM / MTR	
		2.4 Number of ICM community associations and commercial farmer businesses established with equitable representation of women/youth with support from this Action	2018: 0 associations and commercial farmer businesses 2018: 0 % women 2018: 0 % youth	2023: 250 associations and businesses with each at least 30 % women and 10 % youth membership	Min of Agriculture reports Annual reports ICM Programme ROM / MTR	Commitment and equitable participation stakeholder groups; National legislation supporting freedom of association
		2.5 Quality of ICM data produced by water institutions for policy formulation and programme management (*,3.1.2)	2018: barely acceptable quality of data available on ICM	2023: Water institutions produce quality data on ICM for management and policy formulation	BoS reports Annual reports ICM Programme ROM / MTR	Data quality standards accepted by Government and endorsed for usage by ICM institutions
	3. Capacity, skills and knowledge of public, private sector and civil society for sustainable	3.1 Number of stakeholders trained by Action as per ICM curricula (**, level 2, 7)	2018: 0 relevant stakeholders trained	2023: 5,000 relevant stakeholders trained	Annual reports ICM Programme ROM / MTR	

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
	ICM is facilitated	3.2 Status of ICM curriculum at Water Institute University of Lesotho (NULWI)	2018: 5 post graduate programmes NULWI starting up with 1 st version curriculum	2023: Programme contributes structurally to improving ICM curriculum	Annual reports ICM Programme NUL Annual reports	NULWI receptive to integrating best practices into their post graduate curriculum
		3.3 Number of community awareness programmes on ICM, with varied means of communications, including those aimed at social networks	2018: 0 programmes, 4 ICM animations produced (under TA to DWA in 2017)	2023: Annual awareness programmes in (sub)-catchments also applying animations	Annual reports ICM Programme ROM / MTR	
		3.4 Frequency of regional learning events which ICM in Lesotho has contributed to	2018: 0 event	2023: one annual event in AU / SADC /ORASECOM region	SADC / ORASECOM / AU reports	
	4. ICM measures are implemented	4.1 Ha of wetlands restored with support from this Action (**, level 2, 24)	2018: 0 ha restored with support from this Action	2023: 3,000 ha restored with support from this Action	Annual reports ICM Programme Department of Range reports ROM / MTR	

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
		4.2 Proportion of land with dongas ¹⁵ in programme area, degraded land rehabilitated with support from this Action	2018: 15 % of land is degraded with dongas over total land in programme area (exact % in programme area is to be confirmed).	2023: 10 % of land is degraded with dongas over total land in programme area (% <i>tbc</i>)	Annual reports ICM Programme Department of Soil Conservation report ROM / MTR	
		4.3 Proportion of land under improved range management ¹⁶ (**, level 2, 24 & level 1, 8)	2018: 50 % improved range management in programme area (exact % in programme area is to be confirmed).	2023: 60 % improved range management in programme area (% <i>tbc</i>)	Annual reports ICM Programme Landsat imagery on land-cover - rock outcrop - Alpine grasslands ROM / MTR	Cattle owners adapt increasingly to zero grazing / cattle fattening / fodder feeding only

¹⁵ This indicator is related to SDG indicator 15.3.1 and to indicator 5 of pillar 3: sustainable and inclusive economic growth for poverty reduction in the United Nations Development Assistance Framework for Lesotho 2019-2023 (draft), for which indicator EU has been identified as partner. Donga refers to a small ravine with steep sides, mainly caused by erosion. Reporting on this indicator must include also total number of hectares with dongas and rehabilitated by the Action.

¹⁶ This indicator is related to SDG indicator 15.4.2 and to indicator 6 of pillar 3 in the United Nations Development Assistance Framework for Lesotho 2019-2023 (draft) for which indicator EU has been identified as partner. As with dongas full rehabilitation can take a decade, i.e. restoration vegetation cover / diminishing rate of erosion. Reporting on this indicator must include also total number of hectares of rangelands rehabilitated by the Action.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
		4.4 Area irrigated from water harvesting structures with support from this Action (*,2.2.3)	2018: 0 ha with support from Action (<i>existing area under irrigation 1,200 ha</i>)	2023: 3,000 ha with support from this Action	Annual reports line ministries ROM / MTR	
		4.5 Area in hectares of invasive species cleared with support from this Action (**, level 2, 24)	2018: 0 ha cleared with support from this Action	2023: 200,000 ha cleared with support from this Action	Annual reports line ministries ROM / MTR	
		4.6 % of ICM measures containing alternative income generation mechanism (*,2.2.2)	2018: 0 % (this excludes cash for work)	2023: 40 % (this excludes cash for work)	Annual reports line ministries ROM / MTR	
	5. Capacity strengthened for coordination, monitoring, supervision and general programme management (CoW; DWA; DRWS etc.)	5 Number of annual sector reports completed within pre-set deadline and as per standard	2018: <i>tbc</i>	2023: All reports are completed on time and as per standard	Annual reports line ministries WC reports ROM / MTR	