

# GEF-8 PROJECT IDENTIFICATION FORM (PIF)

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## General Project Information

### Project Title

Sustainable Wool and Mohair Value chain Competitiveness project (WaMCoP)

### Region

Lesotho

### GEF Project ID

11210

### Country(ies)

Lesotho

### Type of Project

FSP

### GEF Agency(ies):

IFAD

### GEF Agency ID

2000004566

### Executing Partner

Ministry of Agriculture

Food Security and Nutrition (MAFSN)

Ministry of Defence

National Security and Environment (MDNSE)

### Executing Partner Type

Government

Government

Government

Government

### GEF Focal Area (s)

Multi Focal Area

### Submission Date

4/12/2023

### Project Sector (CCM Only)

AFOLU

### Taxonomy

Focal Areas, Land Degradation, Sustainable Land Management, Sustainable Livelihoods, Sustainable Pasture Management, Community-Based Natural Resource Management, Restoration and Rehabilitation of Degraded Lands, Sustainable Agriculture, Sustainable Fire Management, Integrated and Cross-sectoral approach, Income Generating Activities, Improved Soil and Water Management Techniques, Ecosystem Approach, Land Degradation Neutrality, Land Cover and Land cover change, Carbon stocks above or below ground, Land Productivity, Food Security, Climate Change, Climate Change Mitigation, Agriculture, Forestry, and Other Land Use, Climate Change Adaptation, Climate resilience, Biodiversity, Mainstreaming, Agriculture and agrobiodiversity, Forest, Forest and Landscape Restoration, Drylands, Stakeholders, Type of Engagement, Partnership, Participation, Private Sector, SMEs, Individuals/Entrepreneurs, Capital providers, Large corporations, Communications, Behavior change, Awareness Raising, Education, Beneficiaries, Civil Society, Community Based Organization, Non-Governmental Organization, Local Communities, Gender Equality, Gender results areas, Access and control over natural resources, Capacity Development, Access to benefits and services, Gender Mainstreaming, Women groups, Gender-sensitive indicators, Sex-disaggregated indicators, Capacity, Knowledge and Research, Knowledge Generation, Learning, Theory of change, Adaptive management, Indicators to measure change, Knowledge Exchange, Innovation, Enabling Activities, Influencing models, Strengthen institutional capacity and decision-making, Deploy innovative financial instruments, Demonstrate innovative approaches, Convene multi-stakeholder alliances

### Type of Trust Fund

GET

### Project Duration (Months)

84

### GEF Project Grant: (a)

### GEF Project Non-Grant: (b)

5,329,452.00	0.00
Agency Fee(s) Grant: (c)	Agency Fee(s) Non-Grant (d)
506,298.00	0.00
Total GEF Financing: (a+b+c+d)	Total Co-financing
5,835,750.00	67,444,000.00
PPG Amount: (e)	PPG Agency Fee(s): (f)
150,000.00	14,250.00
PPG total amount: (e+f)	Total GEF Resources: (a+b+c+d+e+f)
164,250.00	6,000,000.00
Project Tags	
CBIT: No NGI: No SGP: No Innovation: No	

### Project Summary

Provide a brief summary description of the project, including: (i) what is the problem and issues to be addressed? (ii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? (iii), how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. The purpose of the summary is to provide a short, coherent summary for readers. The explanation and justification of the project should be in section B "project description". (max. 250 words, approximately 1/2 page)

The proposed project aims to promote inclusive and environmentally sustainable growth of the wool and mohair value chain (VC) by improving sustainable land management, catchment management, biodiversity conservation and restoration of natural ecosystems in Lesotho. Highland areas with high poverty, restricted market access, high sheep production, climate change vulnerability, degraded landscapes and biodiversity hotspots that need rehabilitation will be targeted.

Overgrazing and climate change have reduced Lesotho's rangelands' fertility and production<sup>[11]</sup>. Lesotho's wool and mohair sector struggles with poor VC coordination, a lack of data for management, policy, and planning, limited access to financing and poor management of public assets such as shearing sheds and sheep studs for breeding. Lesotho's input and service procurement imposes additional limitations on farmers, associations and the private sector. The dominance of paper-based reporting constrains the certification of products.

The project's landscape approach will create resilient, biodiverse rangelands for sustainable usage. Integrated catchment and sustainable land management will minimize carbon emissions and support biodiversity and Multilateral Environmental Agreement goals. Private sector partnerships will strengthen VC cooperation and integration to achieve certification standards. The project's traceability and certification and Lesotho's low-emission would make 'green' wool and mohair popular, as markets shift to environmentally sustainable wool and mohair growth.

The project will rehabilitate 150,000 hectares of rangelands, shrublands, and grasslands with multiple<sup>[2]</sup> local stakeholders. The effort would also manage 7,000 hectares of productive landscapes, create biodiversity strategies. The project will avoid the emissions of 5 060 149 tCO<sub>2</sub>-eq the initiative directly benefits 45,000 families and 225,000 people.

[1] [Lesotho NAP .PDF \(unccd.int\)](#)

[2] CSOs, academics, development partners, and the private sector

## Indicative Project Overview

### Project Objective

To promote inclusive, biodiversity friendly and environmentally sustainable growth of the wool and mohair value chain by improving biodiversity conservation, sustainable land management, catchment management and restoration of water and natural ecosystems in Lesotho.

### Project Components

#### Component 1 Strengthening the enabling environment for sustainable value chain systems

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
1,077,669.00	24,890,800.00

Outcome:

**1.1:** Strengthened value chain governance and sector strategy on responsible production of wool and mohair, to enable carbon sinking and biodiversity conservation and to improve livestock health / phytosanitary measures

**1.2:** Improved rangeland management and carbon accounting system and biodiversity monitoring through Responsible<sup>[1]</sup> wool and mohair production

**1.3:** Framework and tools for new market incentives and digital traceability mechanisms for sustainable production are established

[1] Responsible refers to sustainable practices being adopted, and standards being adhered to

Output:

**1.1.1:** Gender responsive sector policy and value chain organization reviewed and regulatory framework on responsible production of wool and mohair developed

**1.2.1:** Carbon accounting system for wool and mohair developed

**1.2.2:** Biodiversity monitoring system applicable to the wool and mohair production landscapes developed through gender sensitive approach.

**1.3.1:** Inclusive digital platform and traceability system developed

**1.3.2:** Gender inclusive financing and market incentive systems developed (Payment for Ecosystem Services (PES) gradual payment, initial investment, potential co-finance from private sector and finance etc.)

## Component 2. Scaling-out SLM and Climate Smart best practices at the landscape level, to support the development of environmentally sound, socially-beneficial and economically-viable wool and mohair value chains

Component Type	Trust Fund
Investment	GET
GEF Project Financing (\$)	Co-financing (\$)
3,198,000.00	28,582,000.00

Outcome:

**2.1** Improved adoption of sustainable rangeland management practices through developed incentive models

### Indicators and targets

(i) Improved environmental indicators: rate of soil erosion and sealing reduced by 5 %; productivity and soil organic carbon stocks improved by 1 %

(ii) Area of landscape under improved management practices: 7000 ha (2 500 ha of restored forest and shrub land, 4,500 ha of restored agricultural land)

**2.2** Integration and visibility of sustainable wool and mohair products in the market improved

Output:

**2.1.1:** Strengthened adoption of environmentally sustainable rangeland-management practices within the wool and mohair VC thanks to the implementation of gradual incentive models and the delivery of payments for Ecosystem/environmental services.

**2.2.1:** Partnerships between farmers and value-chain stakeholders to increase traceability and certification rate increased

**2.2.2:** Certification of responsible production and carbon sequestration and biodiversity conservation enhanced through a gender responsive approach

## Component 3: Outreach and knowledge management for promotion of sustainable wool and mohair production

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
600,000.00	8,799,000.00

Outcome:

**3.1:** Improved understanding on the importance of responsible and sustainable wool and mohair production in Lesotho

**3.2:** Improved learning and knowledge Management functions and communication strategy.

Output:

3.1.1 Shearing Sheds Associations, and Grazing Associations trained in participatory rangelands and pastures monitoring and evaluation. 50% female 50% men will be targeted

3.2.1 Knowledge sharing events conducted to enable the networking with stakeholders to facilitate further uptake responsible standards

## M&E

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
200,000.00	1,800,000.00

Outcome:

3.3. Project implemented in accordance with the principles of Results-Based Management including the development of the MRV system for data collection.

Output:

3.3.1. System for project monitoring and evaluation designed and operational

3.3.2. Evaluations of projects completed on time to facilitate project delivery and knowledge sharing

3.3.3. Monitoring Reports submitted timely

## Component Balances

Project Components	GEF Project Financing (\$)	Co-financing (\$)
Component 1 Strengthening the enabling environment for sustainable value chain systems	1,077,669.00	24,890,800.00
Component 2. Scaling-out SLM and Climate Smart best practices at the landscape level, to support the development of environmentally sound, socially-beneficial and economically-viable wool and mohair value chains	3,198,000.00	28,582,000.00
Component 3: Outreach and knowledge management for promotion of sustainable wool and mohair production	600,000.00	8,799,000.00
M&E	200,000.00	1,800,000.00
<b>Subtotal</b>	<b>5,075,669.00</b>	<b>64,071,800.00</b>
Project Management Cost	253,783.00	3,372,200.00
<b>Total Project Cost (\$)</b>	<b>5,329,452.00</b>	<b>67,444,000.00</b>

Please provide justification



## PROJECT OUTLINE

### A. PROJECT RATIONALE

Briefly describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

The ROLL-GEF (GEF ID 10723) initiative encourages coalitions of local groups and decision-makers to engage in landscape regeneration by investing in activities that have substantial environmental and socioeconomic benefits. It is governed by an integrated framework for assessing the biophysical and socio-economic status of a landscape and informing a progressive intervention strategy to help rural communities achieve sustainability. In addition ROLL-GEF focuses on a catchment graduation model that builds on existing lessons and harmonizes approaches depending on prevailing context. The innovation window of the Regeneration Opportunities Fund (ROF) will provide fund for landscape restoration/regeneration, additional scoping and piloting of applied innovations during implementation.

The Sustainable WaMCoP-GEF will differ from the ROLL-GEF in that it aims to fundamentally transform the wool and mohair value chain by advancing responsible wool and mohair standards, which place a significant emphasis, and by introducing carbon accounting and in-setting, which should ultimately lead to carbon-neutral wool and mohair production. WaMCoP aims to pioneer biodiversity monitoring systems throughout landscapes where wool and mohair are produced. This will generate an ecosystem of approaches that will ultimately put the Lesotho value chain on a 'greening' trajectory. One of the major outcomes establishment is a Framework and tools for new market incentives and digital traceability mechanisms for sustainable production.

The IFAD-funded Regeneration of Landscapes and Livelihoods (ROLL) initiative will tailor its approach to landscape management. To avoid doubling of efforts and improve synergies, in those districts where ROLL is present (Maseru and Thaba Tseka), WaMCoP will target the communities that are not reached by ROLL. However, WaMCoP<sup>[1]</sup> (Project co-ordination Unit (PCU)) will sign a memorandum of understanding with the ROLL PCU to conduct rangeland management activities where there is geographic overlap. The rangeland management activities will begin in districts encompassed by the ROLL and expand gradually to others. The purpose of this strategy is to guarantee synergies and avoid harmful duplication in the implementation of rangeland management activities. This is also in accordance with the national on land management objective established by the Government of Lesotho to harmonize approaches across various projects.

### **Environmental challenges, root causes and barriers**

Lesotho is often referred to as the “Mountain Kingdom”, because it is dominated by the rugged topography of the Maloti and Drakensberg Mountain ranges. The country lies above 1,400 m above

sea level with the highest peaks reaching up to 3480 m<sup>[2]5</sup>. Lesotho is generally considered a grassland biome with limited forest cover. Rangelands cover more than half of the country. Arable land is mainly found in the lowlands and foothills on the Western border and the Senqu River valley in the south<sup>[3]6</sup>.

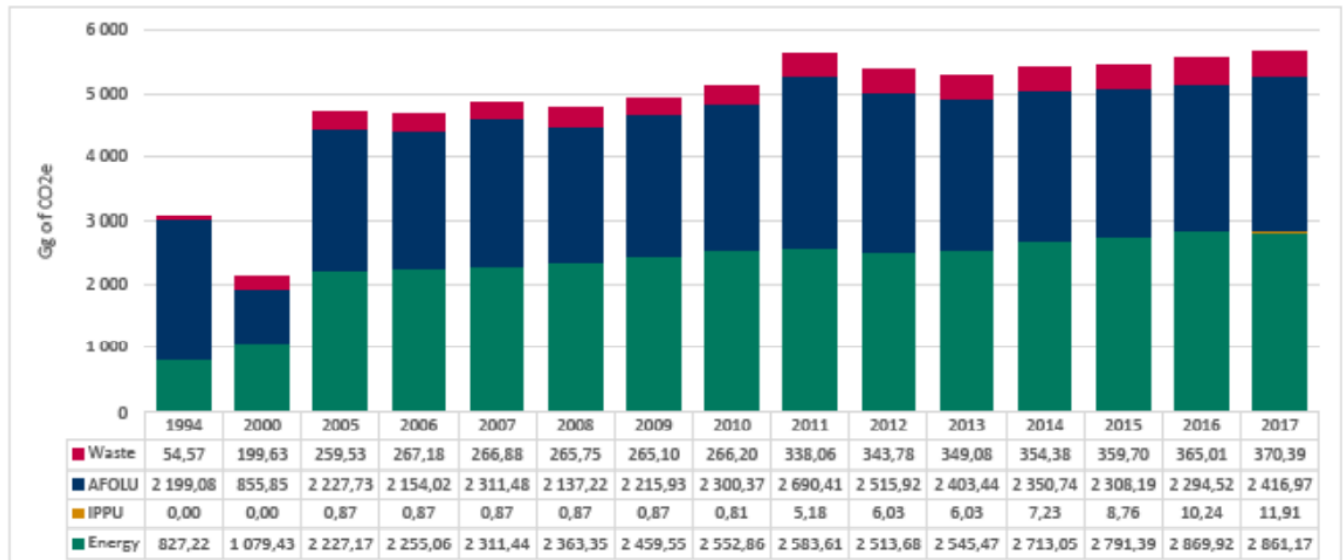
Wool and mohair are natural fibers predominantly used in the apparel industry and especially in the high-end fashion market. Wool sheep and mohair goat farming contribute significantly to rural people's livelihoods, both in South Africa and Lesotho<sup>[4]7</sup>. Although wool and mohair command higher prices compared to other fibers, Lesotho's animal fibers only make-up 2 % of the global fiber market, with wool representing 1 % and mohair 0.01 %.<sup>[5]8</sup> Wool and mohair are bio-degradable, renewable, and eco-friendly. This positions them as niche "green" fibers. As these commodities are heavily dependent on consumer retail spending, the viability of wool and mohair are contingent on aligning to consumer preferences and end-market requirements.<sup>[6]9</sup>

The global market for wool and mohair is undergoing a sizeable shift towards responsible production standards with an integrated visibility and traceability system. It further requires improvements in areas of animal welfare, improved management of the environment, and a focus on the labour conditions of workers along the VC. Non-certified fiber is traded as second-class nowadays. According to Auctions in winter, 2022 showed in South Africa an average premium around 18-23 % for wool sales of certified wool vis-à-vis non-certified wool.<sup>[7]10</sup> The move to responsible production is a move to sustainable intensification, i.e., to widen smallholder farmers' access to improved breeds and other inputs (feed and fodder, vet services and drugs). Unfortunately, Lesotho's wool and mohair sector faces key constraints: limited VC coordination; lack of data for management, policy and planning; limited access to finance; and sub-optimal management of critical public assets (shearing sheds, sheep and goat studs for improved breeding). Furthermore, heavy dependence on South Africa for input procurement and access to services constrain individual farmers, associations, and the larger private sector actors. The dominance of paper-based reporting constrains the certification of products.

The sound economic performance of the industry is further hampered by a recent split in the major producer organization,<sup>[8]11</sup> a relatively ad-hoc modification of the marketing regulations and limited systematic up-grading outside of development projects. An assessment of the recent regulatory reforms revealed a range of challenges and provided recommendations to improve coordination, trust-building and regulatory plus policy steps.<sup>[9]12</sup>

Poor natural resource management practices have led to severe environmental degradation, demonstrated by soil erosion, loss of wetlands, loss of water retention capacity and increased incidence of pests and diseases. Lesotho's topography (elevated mountainous areas), geology (sedimentary and basaltic layers) and climate make it vulnerable to soil erosion, but several human activities fast-track the problem. The current levels of degradation present a serious challenge to rural residents, leading to declining crop yields, crop failure, water points drying up and the need for considerable investments

in the control of invasive species. The severe overstocking of rangelands decreases the recovering ability of the pastures, leading to a widespread denudation of soil surfaces, which multiplies the impacts of climate events such as drought and heavy rainfall on soil losses. A large-scale effort is needed to transform this ‘broken’ system.



**Figure 1.** Lesotho’s GHG emissions trends from 1994 to 2017

The Figure 1. Presents the trends in Lesotho’s GHG emissions from 1994 to 2017. The 1994 and 2000 emissions were based on the 1996 IPCC guidelines and were not recalculated due to unavailability of dataset used while compiling the inventory. [\[10\]\[13\]](#)

The statistics shows that the country’s GHG emissions due to Agriculture, Forestry and Other Land Use (AFOLU) have increased by 9.9 % from 2199.08 Gg CO<sub>2</sub>e in 1994 to 2416.97 Gg CO<sub>2</sub>e in 2017. The waste sector emissions have increased by 574.7% while the energy sector increased by 245.9%. While this growth is primarily due to the growth of the economy, it is also partly due to the improvement in the quality of the country’s GHG inventories, in terms of accuracy and completeness, overtime. This observed increase in GHG emissions highlights the need to take appropriate measures in the agriculture sector to curb any further degradation (GoL 2021).

The potential environmental impacts of the project include land degradation from agricultural activities, degradation of fragile ecosystems, air pollution from construction and fodder milling, water pollution from process water effluent discharges, agro-chemical pollution from the use of fertilizers and biocides, etc. All these also call for more environmentally friendly approaches in project execution.

The environmental challenges faced by Lesotho have an important counterpoint in a major environmental opportunity and potential enabler of a transformation towards sustainable use of landscapes: the abundance of freshwater. Lesotho’s precipitation characteristics, high altitude, and geographic proximity to major demand centres in southern Africa, makes water one of the country’s most valuable renewable and sustainable natural assets. The value of Lesotho’s water resources is

derived from its strategic position in the Orange-Senqu River basin<sup>[11]<sup>14</sup></sup>. The basin accounts for over 10 % of GDP in Sub-Saharan Africa and is among the three most economically important basins per unit area on the African continent (after the Nile and the Limpopo River basins).

### ***Root causes of environmental challenges that need to be addressed***

#### **Loss of arable land and rangeland.**

Soil can be considered a non-renewable resource given the long periods of time needed for its formation. Many fields and pastures have been taken out of production due to excessive sheet and rill erosion. The Government estimates that the country has lost over 100 thousand hectares of arable land in the past two decades: this amounts to a 25% decrease in usable land for production of food and fodder<sup>[12]<sup>15</sup></sup>. The NAPA expects climate change to increase rates of soil loss and loss of soil fertility and estimates that climate change could reduce the share of suitable land for agriculture from 9 % to as low as 3 %. Annual depletion of natural resources is estimated at 4.6 % of gross national income.

#### **Poor productivity.**

The severe erosion of topsoil leads to a loss of soil fertility and impacts the productivity of both arable and rangelands. The country is not able to produce enough food to meet its requirements. The World Bank (2015) estimates that 50% to 60 % of Lesotho's annual grain requirements are imported. The sector's share of GDP has fallen from 50% to about 6.1 % since the mid-seventies. Wool yields have declined from an average of 5 kg of wool per sheep to 2.74 kg in 2010/11<sup>[13]<sup>16</sup></sup>. All production systems in Lesotho are projected to be at least somewhat adversely affected by climate change<sup>[14]<sup>17</sup></sup>. Climate hazards often result in delayed planting or farmers do not plant at all. Drought and high temperatures are expected to exacerbate incidences of diseases and pests that could result in crop failures. The following table presents potential climate change impacts for different crops in Lesotho.

Severe land degradation, visible throughout the country, is Lesotho's biggest environmental problem. Information on the status of national natural resources is critical for evidence-based decision making in the protection of the natural resource base.<sup>[15]<sup>18</sup></sup>

#### **Soil erosion.**

It is estimated that the country loses close to 40 M tons of soil every year<sup>[16]<sup>19</sup></sup>. The loss is equivalent to more than 2% of the topsoil every year and at this rate all soil will be lost by 2040. The annual soil loss from rangelands is estimated at 23.4 M tonnes and from cropland at 15.4 M tonnes. Rainwater induced gully, rill and sheet erosion are the primary agents of soil loss. Gully erosion, locally referred to as "dongas", are prominent features in the landscape. In 1988 there were about 6,800 dongas covering an area of some 60,000 ha. Although gullies permanently take land out of use, sheet and rill erosion have the greatest impact on productivity, because they account for 38.8 M tonnes of soil loss per year, whereas only 0.73 M tonnes of soil per year are lost because of gully erosion (NAPA; NSDP).

#### **Rangeland and natural resources management.**

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Around 50-60% of Lesotho's area is rangeland<sup>[17]<sup>20</sup></sup>. Large parts of it are badly affected by overgrazing, damage caused by land-based development (drainage system) and climate change. Strengthening the capacities of rangelands institutions, especially of grazing and herder associations, is pertinent to improve livestock productivity. Various interventions are required to improve rangeland and natural resource management such as better grazing and herd management, rotational grazing, monitored environmental Impact Assessment management plans, protection of natural springs and no-grazing on highly degraded areas. Rehabilitation interventions include afforestation of gullies, soil and water works to control water flows and erosion, grass strips, restoring the riparian vegetation and trees along streams, and removal of alien vegetation and deshrubbing.

### **Biodiversity threats in Lesotho.**

Lesotho has 1,388 animal and 3,094 plant species<sup>[18]<sup>21</sup></sup>. Many indigenous plant species are used for medicinal and cultural purposes, amongst other uses. Around 14,760 ha (or 0.5 % of the country) are designated protected areas (Biodiversity and Land Use Statistical Report No.15: 2015). Major threats to biodiversity include overgrazing, over harvesting, uncontrolled fire, encroachment by settlements and cultivation on the rangeland, invasive aliens, and pollution. Climate change is adding pressure by increasing aridity leading to the disappearance of wetlands and marshlands. Habitat is lost through soil erosion and diminished vegetation cover<sup>[19]<sup>22</sup></sup>.

Biodiversity is under threat in Lesotho due to intense droughts that affect the country. This, coupled with aridity and desertification, is deteriorating traditional rangelands, and reducing agricultural (both crop and livestock) yields. The productivity of major crops and animals has declined significantly in recent years due to poor land and rangeland conditions. Severe land degradation, visible throughout the country, is Lesotho's biggest environmental problem. It is estimated that the country loses close to 40 M tonnes of soil every year. The loss is equivalent to more than 2 % of the topsoil every year. The annual soil loss from rangelands is estimated at 23.4 M tonnes and from cropland at 15.4 M tonnes. Rainwater induced gully, rill and sheet erosion are the primary agents of soil loss. Gully erosion, locally referred to as "dongas", are prominent features in the landscape. 54 % of cropland are estimated to be exposed to sheet erosion (NSDP II). Conventional tillage (overturning of soil) is the main cause of soil erosion on arable fields. Ploughing is not adapted to Lesotho's erosion-prone soils, because it destroys soil structure and leaves soils bare, with no cover to protect from water erosion. In addition, hunger forces farmers to cultivate fields that are found on steep slopes and/or marginal lands that are especially vulnerable to erosion.

In Lesotho food, animal feed, clean energy sources will need to increase significantly to respond to a growing population and the multiple crises faced by the country related to climate change. It will be important to ensure that increases do not come at the expense of further loss of biodiversity and the ecosystems services small-scale food producers depend on. Small-scale producers depend heavily on ecosystems services for production due to their limited access to external inputs<sup>[20]<sup>23</sup></sup>. Biodiversity is directly linked to the provision of ecosystems services as richness and total abundance of service-providing organisms positively influences the delivery of pollination and biological pest control.

Despite the crucial role small-scale farmers, and local communities play as guardians of biodiversity, they face numerous challenges, including environmental degradation, desertification and pollution

leading to the loss of ecosystem resilience, function and ecosystems services at landscape and farm-level that they depend on for their livelihoods; limited access to and tenure rights over productive assets including land, territories, water and natural resources; lacking recognition and loss of traditional production practices and knowledge that contribute to the public good of conserving biodiversity; loss of agrobiodiversity through the weakening of gene pools of various plants and local animal breeds and the loss of informal seed and animal breed systems; insufficient investment in research on sustainable production practices and plant and animal breeding that conserve biodiversity; limited access to technologies, extension services and information; limited access to markets and limited demand for biodiverse produce; policies that promote production practices harmful to biodiversity leading producers to abandon diversified and biodiversity-friendly production practices for high-input monocropping, limited understanding and awareness on the importance of biodiversity conservation. Due to gender inequalities, women face even greater challenges in protecting biodiversity and are particularly affected by its loss.

Biodiversity is a key instrument to adapt to and increase resilience to climate change. Ecosystem-based approaches that integrate high quality and connected natural habitats at the landscape level can reduce the risk of flooding, erosion, extreme heat, and provide important support to functional biodiversity on farms. Including biodiversity friendly approaches in Lesotho farming systems, such as sustainable land practices, incentives for management practices, payment for ecosystems services and responsible sourcing of agriculture products and services will be key in promoting biodiversity conservation.

#### **Overgrazing of pastures.**

Overgrazing by cattle, horses, donkeys as well as sheep and goats is common in Lesotho. The NSDP states that 50 % of rangelands are overstocked. Other sources (IFAD 2014) estimate overstocking rates to be 40% to 80%, the equivalent of 2.8 to 5.7 million livestock units. There is a consensus that Lesotho's rangelands are in a poor and declining condition, with widespread erosion of the topsoil, and an abundance of unpalatable and less nutritious species. In particular areas around grazing posts are experiencing accelerated soil erosion.

#### **Climate.**

Significant fluctuations in temperature and rainfall characterize the climate of Lesotho. Between October and April, it receives approximately 85 % of its average annual precipitation (761mm)[\[21\]](#)<sup>24</sup>. Precipitation is characterized by heavy torrential rain resulting in severe soil erosion. At the same time, with snowfall in the mountains. Temperatures are highly variable on diurnal, monthly, and annual time scales but generally lower than those of similar latitude inland regions due to the altitude. Average winter minimum temperatures range from -6.3°C in the lowlands to 5.1°C in the highlands[\[22\]](#)<sup>25</sup>. While monthly average mean winter minimum temperatures can reach -10.7°C, and daily winter minimum temperatures can drop as low as -21°C, with sub-zero daily minimum temperatures possible even in summer both in the lowlands and the highlands. In recent decades, increased temperatures, erratic rainfall, heavy rains, and mid-season dry spells have become more common.

#### **Current impacts of climate change.**

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According to the National Resilience Framework, drought is the leading natural hazard contributor to Lesotho's high levels of vulnerability and food insecurity, followed by heavy rains and extreme weather variability<sup>[23]<sup>26</sup></sup>. Agricultural productivity has been steadily declining due to recurrent and prolonged droughts, dry spells, floods, early frost, and associated increased pests and diseases, negatively impacting overall economic performance. Changes in climatic conditions have decreased livestock production in the past decades<sup>[24]<sup>27</sup></sup> already affected livestock production, and future climate change will continue to threaten and exacerbate the situation. Climate scenarios project high chances of water stress by 2060 and will add more stress to agriculture. The increasing temperatures have resulted in increased heat stress for livestock. Significant shifts in rainfall patterns observed in recent years have compromised the country's water resources. The size and number of freshwater sources are diminishing, soil erosion, soil moisture loss, and desertification.

Recurrent droughts have accelerated environmental degradation, loss of biodiversity, and related ecosystem services, reducing, or losing natural resource-based livelihoods for the rural poor. Climate change accelerates the decline of biodiversity and ecosystem services. It reduces livelihoods and income generation opportunities for the rural poor who depend on indigenous plant species for income, fuel, wood, food, forage, and shelter, building materials. Further, it imposes an extra workload on women and girls, who must walk long distances to fetch water and wood for cooking, heating, and other household chores. This reduces opportunities for women and girls to engage in productive activities such as childcare, income generation, and education and increases their vulnerability to gender-based violence. In addition, competition for scarce water resources causes social tensions and conflict between communities.

Lesotho is experiencing the negative effects of Climate Change (CC) such as increased frequency of extreme events like desertification, increased soil erosion, droughts, and reduced soil fertility. These negative trends are affecting livestock production/productivity and the livelihoods of wool and mohair producers. Climate-related hazards, such as droughts and floods, rainfall variability and increasing temperatures, have resulted in reduced lengths of seasons, and increased longer intervals of heat stress. Desertification in Lesotho manifests itself in the form of loss of biological diversity, deterioration of rangelands and poor crop and animal productivity and other signs of land degradation. The resultant poor land and rangeland conditions led to significant decline in productivity in major crops and animals in the recent years.

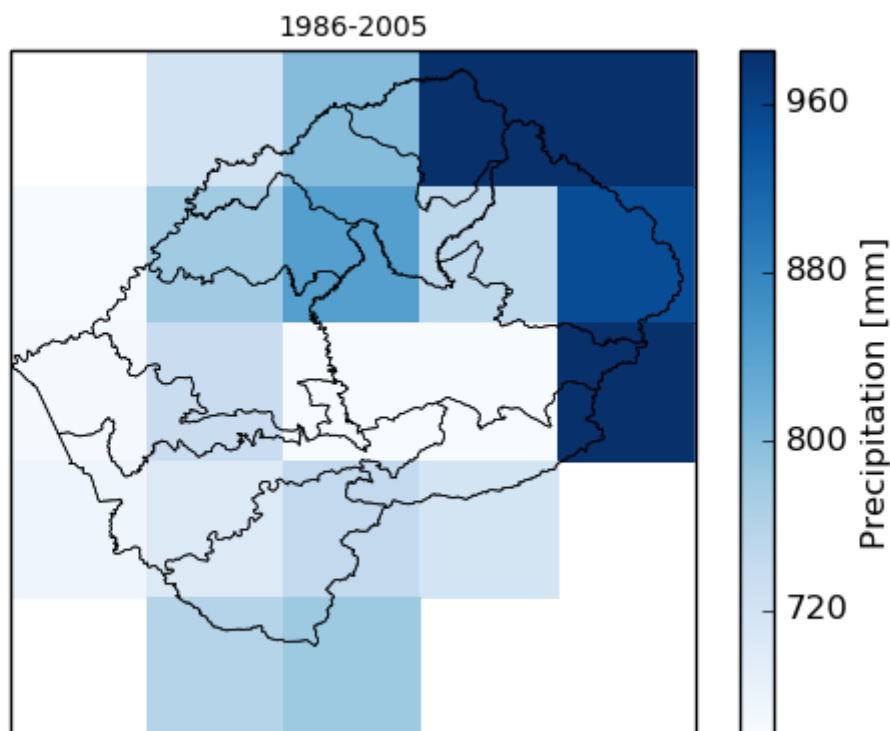
**Projected Changes to Precipitation.** Water resources are likely to be increasingly strained across Lesotho in the coming decades. Warmer temperatures are expected to accelerate the rate of evapotranspiration for the country. With more frequent and severe droughts, the region will likely experience negative impacts on water supply and agriculture. A potentially simultaneous increase in flooding events poses a serious water pollution threat, affecting the health of wetland ecosystems and agriculture and livestock communities. Rainfall in Lesotho is highly variable. Northern areas of the country are expected to experience below normal precipitation through mid-century, with slightly above normal rainfall through the end of the century. Southern areas of Lesotho are expected to have below normal rainfall through the end of the century of between 50 and 100 mm per annum in the Lowland, Foothill, and southern Senqu Valley zones<sup>[25]<sup>28</sup></sup>. Significant changes in precipitation and temperature could have severe impacts on people's livelihoods, particularly in the Lowlands, the

Foothills, and the Senqu Valley, where increasing temperatures and decreasing precipitation might lead to a substantial decrease in crop harvests.

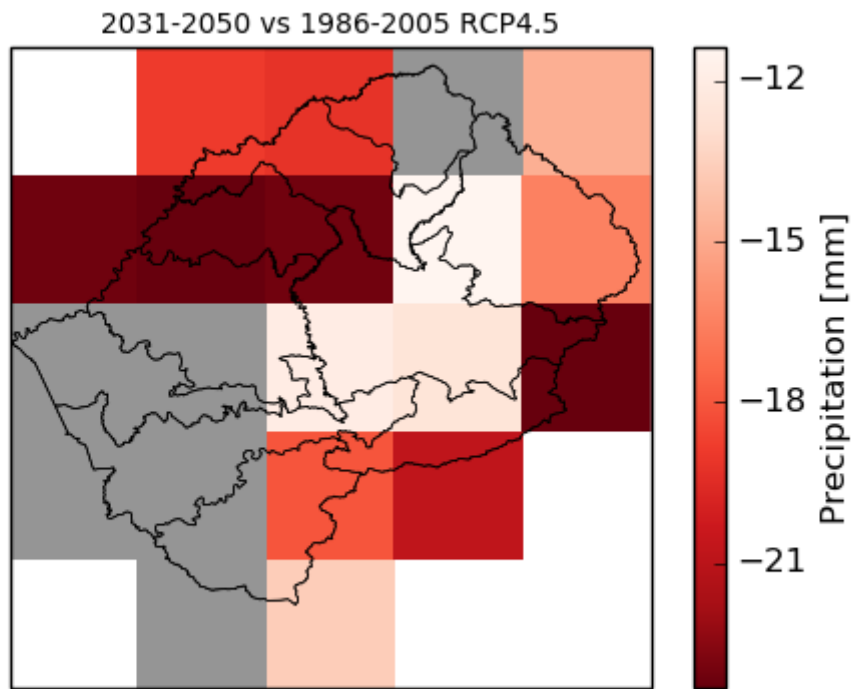
Figure 2 presents the change in projected annual average precipitation for Lesotho. Lesotho’s projected precipitation regime, aggregated across a national scale, will only slightly reduce against observed historical trends. However, changes in precipitation patterns for Lesotho are projected to experience an increase in extreme precipitation events, indicating potential for prolonged dry periods in between events. The country’s drought areas may be further exacerbated by these trends.

In 2021, 70.52 % of Lesotho’s population resided in rural areas and of the rural population 85 % depended on agricultural activities for their livelihoods<sup>[26][29]</sup>. Agriculture is mainly subsistence in nature (90 %) with commercial farming at only 10 %. Subsistence dry-land farmers are more vulnerable to climate change than commercial farmers. Droughts and water availability will continue to affect food production and security. Climate change projections are not all negative, however. Certain crops (maize, sorghum, and wheat) are set to be more productive in the northern part of Lesotho under mid-term climate projections. However, the increase in precipitation and temperature during September to May is expected to negatively impact growth of crops, such as beans and cucurbits (gourds).

Climate change is set to increase the incidence of fungal diseases. Rainfall decreases will negatively affect topsoil health and in the Southern areas of Lesotho, crop yields are set to be more adversely affected than in the Northern regions.



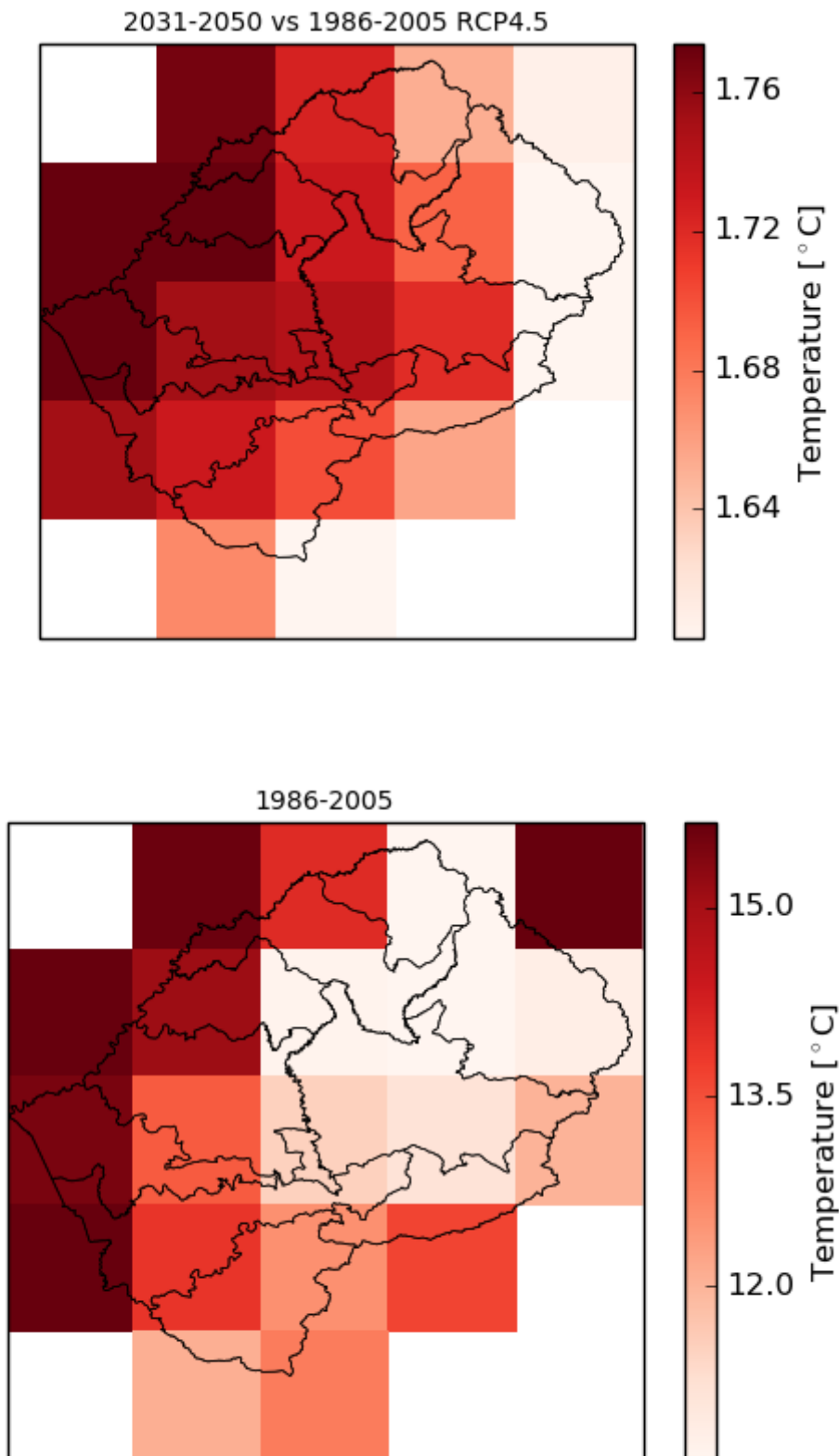




**Figure 2: Precipitation sum over the reference period 1986-2005. Projected change in precipitation for 2021-2050 compared to the reference period 1986-2005**

### **Projected Changes in Temperature.**

Increased temperatures are expected for the region, mean monthly temperature changes are expected to increase by more than 2.0°C for the 2050s and by 4.4°C by end of the century. Temperature increases are expected throughout the country, although slightly lower degrees of temperature increases are expected to occur in the mountain zones. Increased incidence of heat waves and higher rates of evapotranspiration are expected, which will affect multiple aspects of local economic development and agricultural productivity. Increased heat and extreme heat conditions will negatively impact human and animal health, agriculture, and ecosystems.



**Figure 3: Temperature sum over the reference period 1986-2005. Projected change in precipitation for 2021-2050 compared to the reference period 1986-2005**

**Barriers to achieve sustainable livestock production systems that increase economic and environmental benefits of the wool and mohair VC clustered in three groups:**

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**Barrier 1.** *Limited coordination of the VC, lacking critical services and of lack responsible standards for sustainable production systems*

Lesotho's wool and mohair sector is made up of i) the Lesotho National Wool and Mohair Growers Associations (LNWMGA), which represent the majority of producers, (ii) a recent split and the emergence of a new association (Skylight Wool and Mohair Association), and (iii) an increasing number of non-associated farmers. Because the three groups are disjointed and uncoordinated, small producers' coordination is suboptimal. Brokers and traders are better organized, but there has been little coordination of industry investments and upgrades to structures, systems, or even addressing cross-border challenges. This has resulted in a shortage of critical services needed by wool and mohair farmers to boost productivity.

Several critical assets, such as shearing sheds, are poorly managed, resulting in limited upkeep in the absence of dedicated projects. Although the government, through the national Vet and the department of livestock services, plays an important role, and the department of marketing also assists in cross-border marketing, wool and mohair farmers face numerous challenges when attempting to sell their commodity.

An evaluation of the regulatory system that supports the Wool and Mohair sector revealed a number of challenges, including i) weak implementation and enforcement capacities for existing regulations and policies, (ii) a lack of binding standards for responsible production, making it difficult for farmers to compete in the global market, and (iii) limited biodiversity approaches and planning, which frequently results in increased biodiversity loss. (iv) insufficient institutional and technical capacity to coordinate and promote cross-sectoral action to implement environmental initiatives and interventions, including insufficient capacity to design and implement appropriate interconnected policies and programs. Inadequate enforcement of legislation, contradictory programs, poor grazing controls, ineffective institutional arrangements, fragmented legal instruments, and outdated range resource management policy and legislation are all contributing factors to the negative situation.

**Barrier 2.** *Limited capacity to design and implement appropriate interlinked policies*

The regulatory system faces challenges which include (i) weak implementation and enforcement capacities for existing regulations and policies, (ii) lack of binding standards for responsible production, making it difficult for the farmers to be competitive in the global market, (iii) Limited biodiversity approaches and planning often resulting in increased biodiversity loss (iv) limited institutional, technical capacity to coordinate and promote cross-sectoral action to implement environmental initiatives and interventions, including limited capacity to design and implement appropriate interlinked policies and programs

**Barrier 3.** *Poor access to finance in wool and mohair VCs, for intensified production and poor digitization of the VC constraining the certification of products to meet international market standards*

Access to productive investment finance is insufficient and unequal, with bank financing limited to larger rural enterprises. Individual farmers, associations, and even larger private sector actors in this VC are hampered from developing the value chain due to limited access to finance. This restricts access to key production inputs and services, limiting the sector's ability to improve the livelihoods of all producers. Furthermore, without the necessary financing, the digitization of the VC is limited, limiting product certification despite increased requirements from global off-takers.

Furthermore, supply chains for feed, veterinary drugs, improved breeds, and artificial insemination are fragile, with a heavy reliance on South Africa for the procurement of all of these critical inputs and services, further limiting poor farmers and impeding meaningful development.

Financial incentives for sustainable land, rangeland, and pasture management are an investment in the future and should be viewed as such. A long-term investment strategy based on a benefit-sharing mechanism and leveraging blended (public and private) finance is required for sustainable land and water management.

**Barrier 4** *Stakeholders have inadequate knowledge and weak technical capacities for responsible standard for wool and mohair production important for certification and to improve market value*

While there have been successful projects and programs in Lesotho aimed at addressing environmental degradation, particularly land degradation, interventions have not always been accompanied by strong approaches to knowledge management and raising awareness about the interventions' successes. This is exacerbated by insufficient capacity to effectively monitor environmental changes or their impact on livelihoods and socioeconomic conditions. Farmers are ill-equipped to deal with the ever-changing production landscape as a result of the poor dissemination of critical knowledge.

Despite previous interventions' successes in the wool and mohair industry, its current operation is hampered, among other things, by a failure to meet the responsible production standards increasingly demanded by international markets. Wool and mohair farmers lack knowledge and technical capacity to meet responsible production standards for wool and mohair, which are required for certification and increased market value. To meet the requirements of the sustainable production standards, farmers' knowledge will need to be increased by practically developing animal health and welfare plans, land management, soil health and biodiversity plans, and compliance plans at the shearing-shed level. As farming communities work toward certification of shed-linked programs, a digital platform will be established to ensure operations visibility and traceability across the entire value chain, including carbon sequestration and biodiversity enhancement. Farmers will be paid a premium as a result, and climate adaptation and mitigation will be heavily promoted.

### **Baseline scenario and any associated baseline project**

The WaMCoP will be a national project that will concentrate on highland areas with high poverty rates, infertile, easily erodible soils, and degraded landscapes. The Highlands are affected by severe environmental degradation, as evidenced by the loss of wetlands, reduced water retention capacity, and increased pest and disease incidence. Lesotho's topography (rugged elevated mountainous areas), geology (sedimentary and basaltic layers), and climate make it susceptible to soil erosion, but a number of human activities hasten the process. The current levels of degradation pose a significant challenge to rural residents, resulting in declining crop yields, crop failure, water points drying up, and the need for significant investments in invasive species control. The severe overstocking of rangelands reduces the pastures' ability to recover, resulting in widespread denudation of soil surfaces and amplifying the effects of climate events such as drought and heavy rainfall on soil losses. Droughts have a huge impact on farmers who rely on rain-fed agriculture and livestock production, resulting in chronic food insecurity<sup>32</sup>, whereas flooding can be devastating.

These climatic trends have a negative impact on livestock productivity and the livelihoods of wool and mohair producers in general. The country is experiencing negative climate change (CC) effects such as

increased desertification, and droughts. The desertification manifests as a loss of biological diversity, deterioration of rangelands, and low animal productivity.

Against this background, the rural economy of Lesotho is dominated by livestock production which contributes 4.8% of GDP. Rangeland suitable for grazing stock covers more than two thirds of the country. Wool and mohair are the main agricultural exports and Lesotho is the world's second largest producer of mohair (after South Africa) – it produces 14% of the mohair produced globally.

The main players in the value chains include the government departments of the Ministry of Agriculture and Food Security who are the parent ministry for agricultural activities, the Ministry of Forestry, Range and Soil Conservation who deal with rangeland management, the Ministry of Small Business Development Cooperatives and Marketing who deal with wool and mohair processing and marketing, the Lesotho National Wool and Mohair Growers Association (LNWMGA), the farmers' association.

Production of Wool and mohair is largely in the hands of smallholder and subsistence farmer producers in the rural areas of Lesotho. Most of these farmers are in the mountain areas where the incidence of poverty is highest. The majority of wool and mohair farmers continue to use traditional farming methods that emphasize overstocking (having a large number of sheep and goats), resulting in overgrazing of rangelands, poor agricultural practices, and biomass removal. Although the production of wool and mohair has increased due to the increase of the number of sheep and goats, this has resulted in low-quality wool and mohair production. The sheep are not of good quality and are straining the rangelands. The subsistence farmers also do not have access to supplementary feeding.

The Lesotho wool and mohair value chain consists of associations that use or link with the government Shearing sheds, the individual farmers that link with private traders and the marginal groups that use informal market channels. From these three links wool and mohair is sold at auctions in South Africa where wool and mohair will be absorbed and processed.

Currently Lesotho is not processing any wool and mohair but export all of it raw. An estimated 90% of Lesotho's wool production and 58% of mohair production are sold via the Lesotho National Wool and Mohair Growers Association (LNWMGA)'s relationship with the South African broker BKB Ltd.

Lesotho farmers have for decades participated in the existing wool and mohair value chain in South Africa, where the wool and mohair is sold on auction as raw input before it is processed and re-exported to international markets.

In 2018 the government of Lesotho introduced new regulations relating to the marketing and trading of wool and mohair, *The Agricultural Marketing (Wool and Mohair Licensing) (Amendment) Regulations No. 65 of 2018*. The regulations forbid anyone to trade in wool and mohair without a licence obtained from the Ministry of Small Businesses, Co-operatives and Marketing. The regulation further states that the holder of an export licence shall not export wool and mohair unless it is prepared, brokered, traded and auctioned in Lesotho. This new arrangement introduced the Chinese market into the Lesotho wool and Mohair value chain.

The advent of the wool and mohair promotion project (WAMPP) intended to boost resilience to the adverse effect of climate change and economic shocks among poor rural people. The project targeted at improving the rangelands, improving the quality of wool and mohair produced and supported the rural farmers to adopt a more commercial approach to their businesses.

The Lesotho Wool and Mohair value chain is seriously being affected by development constraints related to limited coordination and over dependence of sourcing critical services, which are not locally available, from the RSA. The VC is also affected by lack of access to finance for individual farmers, associations, and the larger private sector actors. Digitisation of the VC is also limited and hence constraining the certification of products, despite increased requirements from the global off-takers.

### **Alternative scenario**

The global market for wool and mohair, on the other hand, is changing and shifting toward more responsible production standards. Non-certified fiber will soon be classified as second-class. The transition to responsible production results in increased production with improved access to breeds and inputs (feed and fodder). Lesotho wool and mohair VC is moving toward responsible production, but it is hampered by a lack of coordination and data to inform sector management, policy, and planning. Despite increased requirements from global off-takers, VC digitization is limited, limiting product certification.

There is need to up-scale wool and mohair growers' access to the required goods and services such as improved genetic material (improved breeding), feed and fodder, vet services and drugs (animal Health), and shearing, training, extension services, infrastructure up-grades, destocking and farmer associations' capacitation.

For sustainability purposes there is need to improve the landscape and community resilience by improving farming practices in degraded ecosystems and drought-prone areas of the Wool and Mohair VC.

The project will be hosted by the Ministry of Agriculture and Food Security (MAFS) and its department of marketing (DoM), as well as its department of livestock services (DLS). The Lesotho National Development Cooperation (LNDC) is a key strategic player, especially regarding the oversight and capacity building of the TF/TC consortium and implementation of component 2. The national farmer associations (LNWMGA and Skylight) will play a key role in implementing the culling and exchange programme, and as board members of the TF-TC Consortium. In terms of internal governance, WaMCoP



will be overseen by a Project Steering Committee (PSC) to provide policy guidance and oversight of project implementation. While Component 1 is PCU led, Component 2 will be private sector led with implementation taken on by the trust fund / trust company 2/31 consortium. Moreover, a partnership will be established with critical private sector players such as Ethical Fashion Initiative (to develop the cottage industry) and Textile Exchange to promote responsible production certification. A strategic partnership with the Global Standard (GS1) aims to reduce costs for certification.

Besides the traditional players, the other direct stakeholders who will be involved in the project implementation will comprise the Wool and Mohair farmers with their groups/associations, aggregators, Coalitions of beneficiaries, Micro, Small & Medium Enterprises (MSMEs) in a value chain such as cottage industry, inputs suppliers, service providers, brokers/market agencies who will benefit from the hardware and software services offered by the project. A subset of this category are the vulnerable groups including women and youth.

Further the project will be operated in close collaboration with strategic partners who will include: i) The Organisation that will be responsible for the digitisation aspects, e.g GS1 in South Africa. ii) strategic partner to implement activities around cottage industry up-grading (Ethical Fashion Initiative (EFI)), iii) Textile Exchange, a UK based certification company that is currently rolling out the industry standards (Responsible Wool Standard (RWS), and Responsible Mohair Standard (RMS)), and iv) off-takers and brokers (such as BKB and OVK) to support the rollout of digital system for shed level data gathering and processing, certification system and linking loan for inputs.

A significant factor in achieving inclusiveness of the engagement process is safeguarding the participation of all project affected people including vulnerable individuals in public consultations and other engagement forums established by the project. The project design is founded in three global and local development trends. Firstly, the wool and mohair industry is moving towards sustainable and responsible production standards. These currently are voluntary standards receiving a price premium (up to 25-30% in the last auctions). Secondly, value chain coordination and integration are increasingly important globally and in Lesotho this is critical for value chain players to access specialised services, ensure industry up-grading through access to finance and reduce input costs. Thirdly, digital data capturing and coordination along the value chain.

In line with mainstreaming themes, KM and Communications will also aim at creating a broader societal awareness on key areas of concern, such as child labour in the wool and mohair sector (children employed as herders) and the existential threat to households and communities posed by landscape degradation. Through TV and radio campaigns, KM will also play a role in raising awareness for HIV prevention and gender based violence. WaMCoP-GEF will also partner with Lesotho National Federation of Organisations of the Disabled (LNFOD) for showcasing successful cases of farmers with disabilities, with the intent of reducing the stigma around employment of PwDs in agriculture. In collaboration with ROLL, school visits will be organised to areas with successful rangeland management initiatives. A notable innovation is the large-scale roll out of the responsible standards, the introduction of the certification system digitization of the fiber transactions along the VC using industry standards, which have animal welfare and land management criteria as central requirements, at a substantial scale among smallholder farmers requiring systems approach, is a notable innovation.

The institutional up grading of the VC and entrusting of assets to a private sector-driven entity will be crucial innovations in the organization of the VC. The approach to the cottage industry, working from the end market, and linking to high-end markets will be new for Lesotho. The project will also feature a mechanism to reduce the carbon footprint by matching contributions from supply chain partners.

Innovative tools will also be used for planning and measuring improvements in emissions and biodiversity conservation at landscape level.

Finally, the shed-level planning and monitoring of grazing and environmental practices in line with the audit requirements at national scale are new to Lesotho and in scale even new to the standard issuing agency.

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[7] [Updates BKB Mohair Report 2022](#)

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## B. PROJECT DESCRIPTION

### Project description

This section asks for a theory of change as part of a joined-up description of the project as a whole. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF's policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the PIF guidance document. (Approximately 3-5 pages) see guidance here

**The proposed Sustainable Wool and Mohair Value Chain Competitiveness project (WaMCoP-GEF) has been developed as a successor to the Wool and Mohair Promotion Project (WAMPP), which will conclude in June 2023. The WAMPP project intended to boost resilience to the adverse effects of climate change and economic shocks among poor rural people. The project targeted at improving the rangelands, improving the quality of wool and mohair produced and supported the rural farmers to adopt a more commercial approach to their businesses including the introduction of cottage industry. WAMPP archived its purpose to a large extent, as it managed to introduce better breeds to generate better quality wool and mohair and improved access to feed, drugs, and genetics. However, the sector is still not competitive on the world market which now demands responsible production of wool, traceability and “net zero carbon” in the VC.**

**Overall, the WaMCoP project will improve the sector and encourage greater, more resilient, and long-term commercialization in the wool and mohair value chain. In addition to supporting the major aspects such as access to feed, drugs, and genetics, which were initiated in WAMPP the appropriate next**

**steps after WAMPP to capitalize on the growing demand for 'net zero carbon' and sustainable products include the following:**

- **Private sector integration and sustainable asset production and management,**
- **Strong links to export and local markets.**
- **Climate-smart agriculture practices and technologies,**
- **Biodiversity enhancement, conservation and its long-term use.**
- **Responsible livestock value chain (VC) production systems.**
- **Improve the resilience of landscapes and communities in degraded ecosystems and drought-prone areas by encouraging inclusive and environmentally sustainable wool and mohair VC growth.**
- **Advance low-emission production into the VC by determining and testing appropriate emission reduction measures and accounting procedures.**
- **Institute end-to-end traceability and certification,**
- **Enhance landscape preservation by destocking (through culling and exchange), rotational grazing, and the construction of soil erosion control structures such as check dams, gabions, side drains, terraces, and contour bunds.**

**Emissions reductions will help the country meet its Nationally Determined Contribution of 10-35% reduction from baseline by 2030. In conjunction with the project's end-to-end traceability and certification, becoming internationally recognized for low-emission production would help stimulate demand for Lesotho's wool and mohair. Beyond a sole focus on carbon, the project will investigate how the VC can be used to promote biodiversity enhancement. This will look at how better land use management can help protect fauna-rich wetlands and improve soil biodiversity. Coalitions will create biodiversity management plans to guide the conservation, restoration, and enhancement of biodiversity value landscapes.**

**In addition, the project will promote farmland preservation and rehabilitation techniques to reduce runoff and improve rainwater infiltration. This will aid in the conservation of biodiversity and the prevention of land degradation. Among the protection activities will be destocking (through culling and exchange), rotational grazing, and the construction of soil erosion control structures such as check dams, gabions, side drains, terraces, and contour bunds. This will be combined with land management practices aimed at increasing the farms' vegetative cover in order to increase soil fertility.**

**Livestock emission intensity will be reduced significantly through rangeland management, supplementary livestock feed, and herd size management. To detail mitigation efforts credibly, the project will conduct a carbon balance analysis (using EXACT, GLEAM-I). The synergistic effect of more efficient livestock systems and landscape regeneration, when combined with the mitigation potential of land-use change and the adaptation value of regeneration, has the potential to significantly accelerate the transition to a low-emission, climate-resilient development path.**

### **Theory of change**

**Lesotho's wool and mohair VC is currently not realizing its full potential in terms of social and economic benefits to the country's population. As a result, unsustainable production practices risk reducing the VC's future economic and environmental viability. The wool and mohair sector is hampered by the following factors:**

- 1. Limited VC coordination, a lack of critical services, and a lack of responsible standards<sup>[11]<sup>30</sup></sup>** for sustainable production systems.
- 2. Limited capacity to design and implement appropriate interlinked policies**
- 3. Limited access to finance in wool and mohair VCs for increased production, as well as poor VC digitisation, limiting product certification to meet international market standards.**
- 4. Stakeholders lack knowledge and technical capacity to set responsible standards for wool and mohair production, which is necessary for certification and increasing market value.**

**WaMCoP-GEF aims to make wool and mohair farmers' livelihoods more resilient to economic and environmental shocks. To achieve this goal, the project will promote inclusive and environmentally sustainable wool and mohair VC growth by improving biodiversity conservation, sustainable land management, and natural ecosystem restoration. The project is divided into three parts.**

**Support for the development of VC systems entails entrusting key assets (shearing sheds, sheep and goat studs for improved breeds) to the Trust Company and a Trust Fund (previously established under the WAMPP project)<sup>[2]<sup>31</sup></sup>** that will function as a joint venture between all VC role players<sup>[3]<sup>32</sup>. It also entails strengthening the public sector policy and regulatory framework by providing technical assistance to the Ministry of Agriculture in developing policy and related regulations. A national breeding plan focusing on sheep and goat breeding will be implemented, and the national diagnostic laboratory's operational capacity will be increased, improving disease surveillance and emergency response plans<sup>[4]<sup>33</sup>. Interventions will also focus on reducing deforestation (via the promotion of improved cooking stoves), the use of biochar, and the implementation of appropriate emission reduction measures and accounting procedures. Enhanced rangeland management will be a focus, with a focus on regenerative agriculture (through rotations and cover cropping or manure recycling), increasing self-sufficiency and circularity (i.e. through manure re-use, growing crops with multiple benefits for fodder, etc.). Improving VC systems will entail working upstream by supporting the national supply of key inputs and services (veterinary services, artificial insemination, and fodder) through the productive alliances approach, where matching finance will be provided to enterprises with solid business plans, and downstream by modernizing cottage industries through a social enterprise model that will seek to transform wool and mohair into finished products that can be sold to international markets.</sup></sup>

**WaMCoP-GEF will put the carbon accounting system into action and develop plans for land management, soil health, and biodiversity that will be linked to responsible standards. As a result, these plans are being incorporated into the market incentive mechanism. This intervention should result in behavioral changes that encourage less livestock and a**

**greater emphasis on ecosystem and soil restoration. Specific interventions and their locations will be determined based on project support, which will also contribute to I farmers' insights through participatory approaches with communities, and (ii) landscape mapping of biodiversity health, soil health, and ecosystem services. (iii) criteria for sustainable certifications and label standards, the implementation of these interventions will allow farmers to access various responsible production standards in fiber production, as well as improve market access. A VC platform will be implemented across the country, and all actors who deliver wool and mohair into the formal market will be included.**

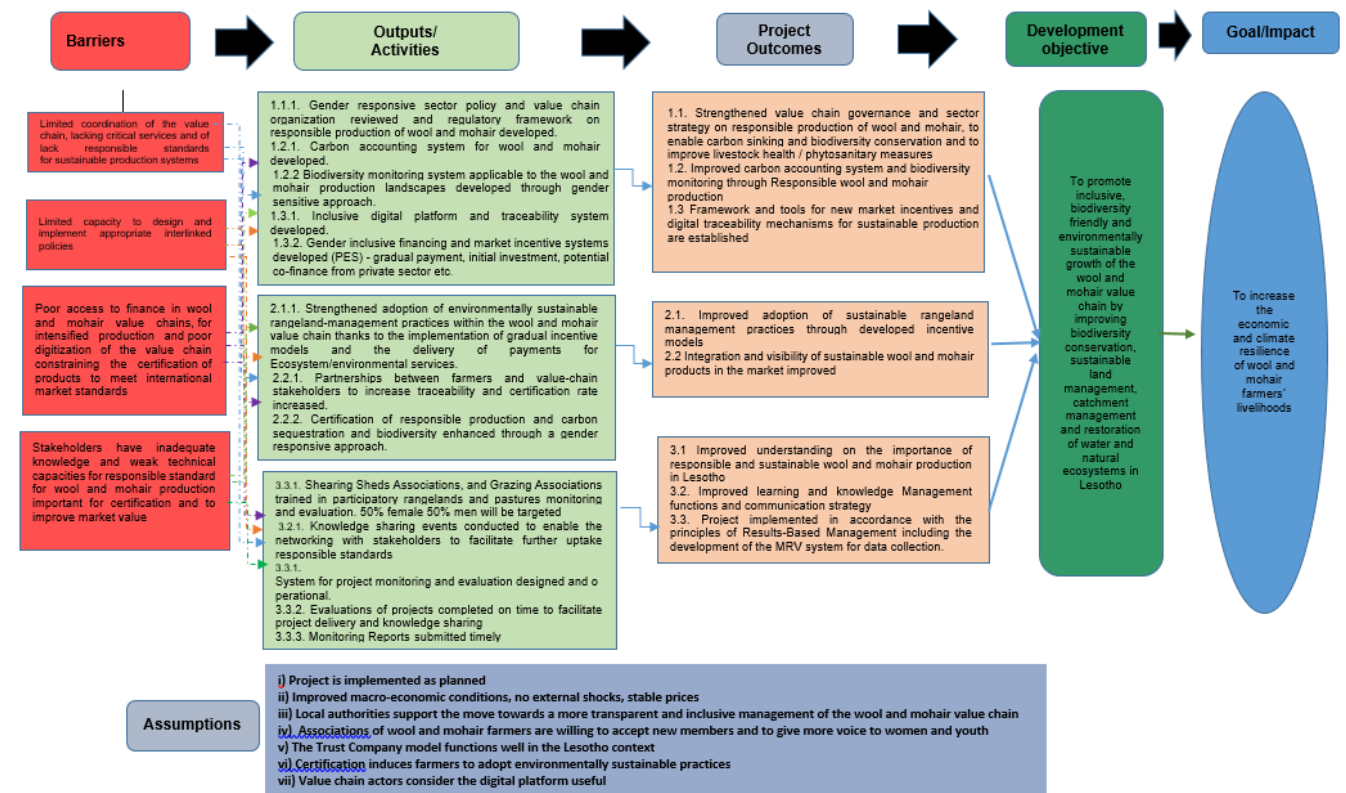
**Through assistance in enabling plan delivery compliance, monitoring, and knowledge exchange. Incentives<sup>[5]<sup>34</sup></sup> and compliance plans will be developed in collaboration with shearing sheds and grazing associations at the shed level. These associations will also be trained to monitor carbon and biodiversity benefits in order to support product certification. Farmers' schools will be used to promote and expand knowledge about rangeland management and soil restoration activities in order to increase climate and environmental benefits and certification compliance. For better knowledge management and dissemination, a digitalised database of national sustainable animal production will be supported.**

**Specific targeting and tailored support are provided throughout the project's activities to address the specific barriers faced by women and youth. Women's participation in the VC will be boosted further by reduced household labor requirements as a result of receiving efficient cook stoves. Youth are expected to benefit disproportionately from the growing VC industry's job opportunities.**

**The anticipated project outcomes are dependent on the following assumptions:**

- i) Project is carried out as planned; ii) Improved macroeconomic conditions, no external shocks, stable prices; iii) Local authorities support the transition to a more transparent and inclusive management of the wool and mohair value chain; iii) Associations of wool and mohair farmers are willing to accept new members and give more voice to women and youth; iv) The Trust Company model works well in the Lesotho context; v) Certification induces farmers to adopt; v) Value chain actors find the digital platform useful and make use of it.**

## Theory of change



***IF capacity building activities, responsible standards, access to finance and physical standards, and an improved policy sector and regulatory framework is in place***

***THEN***

***The economic & climate resilience of wool & mohair farmers will be strengthened***

***BECAUSE***

***The resulting strengthened value chain (through market access certification, responsible production practices, carbon accounting and the implementation of ecosystem restoration activities & biodiversity and rangeland management plans) will decrease GHG emissions and increase, productivity and profitability in the sector.***

## **Project Components**

### **Component 1: Strengthening the enabling environment for sustainable value chain systems**

**This component will support the building of value chain systems and will ensure adoption of sustainable sector strategy and better value chain governance. It will be mainly implemented by the project coordination unit (PCU).**

**Outcome: 1.1: Strengthened value chain governance and sector strategy on responsible production of wool and mohair, to enable carbon sinking and biodiversity conservation and to improve livestock health / phytosanitary measures**

**This sub-component aims to improve sector policy and regulatory framework and building the capacity of VC stakeholders on responsible production of wool and mohair along with carbon sinking and biodiversity conservation.**

**Output: 1.1.1. Gender responsive sector policy and value chain organization reviewed and regulatory framework on responsible production of wool and mohair developed**

**This sub-component includes two interventions aimed at improving the sector's policy and regulatory framework as well as building the capacity of VC stakeholders to operate under the new private sector-led sector governance system while taking gender into account. The PCU will provide technical assistance to MAFS in reviewing and developing sector policy and regulations. This responds to the sector's need for greater policy coherence. The current sector policy does not take gender dynamics into account and**



does not clearly define the responsible production approach, carbon accounting, and biodiversity conservation. The policy review and development process will be participatory and inclusive. The VC will investigate key issues and distill them into an overarching policy framework, such as responsible wool and mohair production, carbon sinking and biodiversity conservation, asset management, and equity of access to goods and services.

## **Outcome 1.2: Improved carbon accounting system and biodiversity monitoring through responsible wool and mohair production**

### **Output 1.2.1: Carbon accounting system for wool and mohair developed**

The primary goal of this intervention, which will be funded by the Global Environment Facility (GEF), is to establish a system for rangeland management and carbon accounting certification. Sustainable rangeland management is critical for the value chain's viability because it provides fodder and is required for responsible production standards. To meet the Responsible Standards of the Textile Exchanges, communal farmer groups will be required to develop two critical plans: (1) the animal health and welfare plan, and (2) the land management, soil health, and biodiversity plan. Furthermore, a compliance plan at the shearing-shed level is required. The Trust Company-led shearing shed management unit (SSMU) will coordinate the development, implementation, and monitoring of these plans, with participation from farmer associations, traditional leaders, government officials, and extension services.

The approach used by the IFAD-funded Regeneration of Landscapes and Livelihoods (ROLL) project for land management will be customized. To that end, the WaMCoP Project Coordination Unit (PCU) will sign an MoU with the ROLL PCU, with ROLL taking the lead on rangeland-related activities. ROLL will take the lead in rangeland management activities because it is already involved in large-scale land restoration, biodiversity conservation, and climate change initiatives. The ROLL-led rangeland management activities will begin in ROLL-covered districts (Thaba-Tseka and Maseru rural) and gradually expand to other districts, beginning with the four priority districts. As the implementation progresses, activities will gradually expand to other WaMCoP high-priority districts, where a service provider will continue with a harmonized and demonstrated approach based on the four high priority districts' experiences. A GEF-funded environmental specialist will help with land management and integration with other projects.



Each SSMU will work directly with farmer associations to adopt responsible production standards for wool and mohair; develop an animal health and welfare plan; implement the plan; and work to become certified for responsible production, low emission production, and biodiversity enhancement. This will assist the sector in becoming internationally recognized for low-emission production, which, in conjunction with the project's end-to-end traceability and certification, will help stimulate demand for Lesotho wool and mohair.

**Carbon accounting.** Building on the demand for ‘net zero carbon products’, the project will help determine appropriate emission reduction measures and accounting procedures, and test these.<sup>[6]35</sup> A study will guide the right approach for measuring product carbon footprints that are acceptable to supply chain partners. This will advance low-emission fiber production, coupled with the end-to-end traceability and certification established through the project, this will further stimulate demand for Lesotho’s wool and mohair.

**Promotion of energy efficient cooking stoves.** This intervention will also encourage the use of efficient cooking stoves to (1) benefit women in vulnerable households by saving time, preventing respiratory diseases, and providing access to electricity; and (2) reduce deforestation, thereby improving soil carbon sequestration. There will be two types of energy efficient cooking stoves considered: i) Save 80 Cook stoves and ii) African Clean Energy (ACE) cooking stoves. The African Clean Energy (ACE) cooking stoves enable smokeless cooking with any type of solid biomass fuel thanks to an integrated ventilator and a solar panel (crop residue, animal waste, or small sticks). The solar-powered battery generates electricity, allowing users who do not normally have access to electricity to charge their phones or plug in the LED lamp attachment.

When compared to open fire cooking, which is common in rural and peri-urban Lesotho, the ACE stove reduces wood consumption by 50-85%, resulting in a savings of 2.5 to 5 Co<sub>2</sub> equivalent tonnes per year. ACE calculates its carbon footprint by basing its claims on actual usage rather than assumptions. When users connect their smartphones to the stove, activity data from that unit is communicated back to the ACE database. This information will be shared with WaMCoP PMU, allowing the project to quantify the impact of the cooking stoves on climate change mitigation while also providing insights into the energy consumption habits of off-grid households, about which little information is currently available.

Farmers will need two plans: one for animal health and welfare and another for land management, soil health, and biodiversity. They will also have a compliance plan in place at the shearing shed. These plans will be implemented and monitored, resulting in regenerated landscapes, the adoption of responsible production standards, and healthy animals. When combined with the development of a carbon accounting system, this will result in higher quality wool and mohair production, increased income, increased resilience, and lower GHG emissions with less environmental impact.

Using the ACE stove will reduce wood consumption by 50-85%, saving 2.5 to 5 CO<sub>2</sub> equivalent tonnes per year. ACE calculates its carbon footprint by basing its claims on actual usage rather than assumptions. When users connect their smartphones to the stove, activity data from that unit is communicated back to the ACE database. This information will be shared with WaMCoP PMU, allowing the project to quantify the impact of the cooking stoves on climate change mitigation while also providing insights into the energy consumption habits of off-grid households, about which little information is currently available.

**Output 1.2.2: Biodiversity monitoring system applicable to the wool and mohair production landscapes developed through gender sensitive approach.**

### *Biodiversity Monitoring System*

Participatory biodiversity assessments at the landscape scale will be conducted using tools such as ABC-Map, LDSF, and other landscape-level geospatial planning and monitoring tools. Then, coalitions<sup>[7]<sup>36</sup></sup> will develop biodiversity management plans that will guide the management of priority areas for conserving, restoring, and enhancing the biodiversity value of landscapes, as well as increasing connectivity between priority areas (e.g. green corridors, buffer zones etc).

The biodiversity management plans will also determine the biodiversity-friendly livestock management and production practices, such as diversification (agroforestry, mixed farming), recycling, and other regenerative agriculture and ecological intensification practices. Ecosystem and landscape approaches, such as sustainable land and water use management and planning, as well as ecosystem-based approaches, will receive special attention.

**This mapping will also identify and promote farmland protection and rehabilitation techniques to reduce runoff, improve rainwater infiltration and reduce land degradation issues. Among the protection activities will be destocking (through culling and exchange), rotational grazing and improved feed and fodder management, as well as the construction of soil erosion control structures such as check dams, gabions, side drains, terraces and contour bunds.**

**Outcome 1.3: Framework and tools for new market incentives and digital traceability mechanisms for sustainable production are established**

**Output 1.3.1 Inclusive digital platform and traceability system developed**

**The PCU will establish a visibility platform on which all role players, large and small, who deliver wool and mohair into the formal market will be registered and become users. The PCU will set it up by signing an agreement with a chosen platform service provider that specifies the TC's role as host and manager of this digital platform. Each role player will monitor and record their internal operations, and the data will be uploaded to the visibility platform.**

**The value chain visibility platform will be implemented on a national scale in Lesotho's wool and mohair sectors. Over the first year, a pilot implementation in one supply chain will precede the implementation process. The pilot phase will include one broker, one shearing shed, all farmers delivering into that shearing shed, and one supplier for each of the farmers' fodder and feed, genetically improved animals, and veterinary medicines. The rest of the sector will be phased in over the course of the project's second and third years. The digital platform is intended to generate revenue streams such as service fees, data access fees, and so on. Farmers will not be directly inserting data into the digital platform, but they will have access to all data related to their operations and will be trained on how to visualize, analyze, and use the data to improve their businesses.**

**Outputs: The digitization process will result in all players being registered and being able to monitor and record their internal operations. This will enhance traceability of their wool and mohair products and thus enhance the quality of production**

**Smallholder production of wool and mohair has sustainably increased in quality and quantity**

The aim of this component is to ensure farmers' access to financing services as well as inputs. The established Trust Fund–Trust Company (TF-TC) consortium will provide a wide range of services to farmers by managing entrusted physical and financial assets.

**Output 1.3.2: Gender inclusive financing and market incentive systems developed (Payment for Ecosystem Services (PES) - gradual payment, initial investment, potential co-finance from private sector and finance etc.)**

The TF-TC consortium will manage entrusted financial and physical assets to efficiently provide required goods and services to value chain players. The Consortium will establish and create structures to manage the shearing sheds (i.e., shearing shed management units), the goat and sheep stud, the auction yards, slaughter slabs, etc., providing equitable access to all farmers and value chain players. Likewise, it will establish appropriate delivery mechanisms to provide critical input financing to approximately 30,000 semi-commercial and commercial smallholders producing wool and mohair.

The 30,000 farmers will be financed through a revolving fund which will be initialized and managed by a not-for-profit company structure with improved implementation arrangements focused on ensuring sustainable operations, including leveraging in-kind disbursement mechanisms, and securing off-take and repayment arrangements. The resources of the endowment fund will be invested to generate revenues. Every year, the board of trustees will approve a plan aiming at reinvesting those resources to promote sector development. Other revenue streams of the TF-TC consortium include fees from the management of the shearing shed and value chain visibility platform, and incomes from the operation of auction yards, slaughter slabs and artificial insemination infrastructure.

**Output: This intervention will result in improved production, productivity, and quality output that will attract premium prices and generate higher incomes without adversely affecting the environment**

**Component 2: Scaling-out SLM and Climate Smart best practices at the landscape level, to support the development of environmentally sound, socially-beneficial and economically-viable wool and mohair value chains**

## **Outcome 2.1 Improved adoption of sustainable rangeland management practices through developed incentive models**

### **Output 2.1.1 Strengthened adoption of environmentally sustainable rangeland-management practices within the wool and mohair VC thanks to the implementation of gradual incentive models and the delivery of payments for Ecosystem/environmental services**

**This sub-component promotes sustainable intensification of wool and mohair production through improvements in animal breeding, animal nutrition and animal health, and secondly supports the rehabilitation of rangelands. The activities for this sub-component include the following: Reduce herd size, aligning stocking rate with the changing biomass availability, will eventually improve farming productivity. The expected result is higher quality wool and mohair brought to market, improved income, improved resilience, and reduced greenhouse gas (GHG) emissions with less impact on the environment.**

**Output: Farmers will have two critical plans: (1) the animal health and welfare plan; and (2) the land management, soil health and biodiversity plan. They will also have a compliance plan at shearing-shed level. The implementation, and monitoring of these plans will result in regenerated landscapes, adoption of responsible production standards, and healthy animals. Coupled with the development of a carbon accounting system, this will then translate to higher quality wool and mohair production, improved income, improved resilience, and reduced GHG emissions with less impact on the environment.**

**This intervention aims to sustainably intensify small ruminant production through improved breeding, nutrition, and health management.**

**Breeding will involve three streams of activities:**

- 1. the operationalization of the National Sheep and Goat Breeding Plan (NBP), which will include**
  - 1.1. implementing a digitized database for genealogical registration of quality Merino and Angora breeding stock;**

- 1.2. completing the certification of farms specializing in sheep and goat breeding; and**
- 1.3. establishing and operationalizing artificial insemination at the existing studs in Mokhotlong and Quthing districts, including the procurement of quality semen and the promotion of artificial insemination service providers;**
- 2. the establishment of a new breeding centre for the genetic selection of high-quality Angora goats and upgrading the two existing studs; and**
- 3. the upgrading of the culling and exchange program with a revised strategy based on the experience of the WAMPP.**

**Animal nutrition. This will support capacity building and training opportunities via on-farm demonstrations on improved animal nutrition practices and acquisition of farm equipment to strengthen on-farm feed and forage production capacity.**

**Animal health. The main activity will be the implementation of a disease surveillance and emergency response plan, under the responsibility of Directorate of Livestock Services (DLS) and in collaboration with other public and private stakeholders. Among other things this will involve the provision of hands-on/on farm demonstrations aiming at improving animal health practices and management.**

**Output: The above intervention will result in improved yield per animal and a lower carbon footprint. Reduced herd size, aligning stocking rate with the changing biomass availability, will eventually improve farming productivity. The expected result is higher quality wool and mohair brought to market, improved income, improved resilience, and reduced GHG emissions with less impact on the environment.**

**Campaign on biodiversity standards and responsible production standards delivered**

**Outcome 2.2 Integration and visibility of sustainable wool and mohair products in the market improved**

**Output 2.2.1: Partnerships between farmers and value-chain stakeholders to increase traceability and certification rate increased**



**This component will support the responsible production system and get shearing shed-linked farmer associations certified. This will be done by establishing a digital platform which will operate for the whole value chain. The component will also coordinate the implementation of all activities required to meet the responsible production standards, as well as carbon sequestration and biodiversity enhancement, and organize the certification of shed-linked communities. The activities required to meet the responsible production standards, of the Textile Exchanges, communal farmer groups will be required to develop three critical plans: (1) the animal health and welfare plan, (2) the land management, soil health and biodiversity plan and (3) a compliance plan at the shearing-shed level is required. The farmers will then be required to implement these plans and this will be coordinated and monitored by the Trust Company-led shearing shed management unit (SSMU), with participation from farmer associations, traditional leaders, government officials and extension services. This system will introduce traceability and accountability throughout the whole wool and mohair value chain. This will lead to farmers getting paid the premium price, and to climate adaptation and mitigation being promoted to a high degree, thanks to interventions such as sustainable land management, rotational grazing, destocking, soil health improvements and biodiversity enhancement. At the production level, the project will promote incentives for sustainable management practices, such as payment for ecosystem services (PES), green public procurement, and responsible sourcing of agricultural products and services.**

**This output will be led by the private sector, with the Trust Fund-Trust Company consortium in charge of implementation. Climate smart value chain operations and coordination will serve as catalysts for the adoption of sustainable practices and the creation of jobs. This component is expected to produce two major outcomes: (1) A sustained increase in the quality and quantity of smallholder wool and mohair production (key performance indicator: 27.000 households reporting increased production); (2) Wool and mohair farmers have adopted environmentally sustainable rangeland management practices (key performance indicator: 28.000 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices). These goals will be met through two sub-components: access to productive finance and a responsible value chain production system.**

**Output 2.2.2: Certification of responsible production and carbon sequestration and biodiversity conservation enhanced through a gender responsive approach.**

**This intervention will entail the management of the certification system for responsible production, carbon sequestration and biodiversity enhancement.<sup>[8137]</sup> The Trust Company will coordinate the shearing-shed management units (SSMUs) in managing the certification system for responsible production, carbon sequestration and biodiversity**

enhancement<sup>[9]38</sup>. In collaboration with the PCU recruited service provider, each SSMU will liaise with shearing-shed-linked farmer associations, landscape coalition<sup>[10]39</sup> and other players (extension services, brokers, digital platform owners) to implement a series of activities

The activities under this intervention will include: (1) adoption of the responsible production standards, by each shed level farmer association (SLFA) and landscape coalition (LC); (2) preparation and adoption of animal health and welfare plan by each SLFA; (3) preparation and adoption of land management (along with local regulations on destocking and rotational grazing), soil health and biodiversity plan by each LC; (4) preparation and adoption of the shearing shed compliance plan; (5) monitoring of the implementation of the land management, soil health and biodiversity plans; (6) monitoring of the implementation of the herd health and welfare plans; (7) monitoring of the implementation of shearing shed compliance plans; (8) recording compliance parameters (land and biodiversity, animal health and welfare, shed keeping) for each shearing-shed linked landscape coalition and farmer association; (9) organizing the third-party certification of compliance for responsible production and for low emission production and biodiversity enhancing; and (10) claim payment for ecosystem services.

Specifically, the TC will sign a service contract with an approved certification body (Control Union), which will send auditors to review documents and procedures against the requirements of the standard at shed level.

The TC managed value chain visibility platform will serve as the data repository for the compliance of role players to the requirements for certification. It will link-up with the digital certification platform of the Textile Exchange organization who owns the standard and certification process. The visibility platform will link the products in the value chain to the compliant (or non-compliant) origin and its certification status, enabling the verification of product items against the Responsible Production certificates. The reports of the platform will provide the data required by the TC, the PCU and the GoL, to coordinate the activities related to certification, de-stocking, landscape regeneration, animal healthcare, shed management, and compliance parameters.

Basically, the project will apply already existing internationally recognized certification standards and systems implemented by an approved certification body (Control Union). The Control Union standard will be



applied at shed level. It is currently not being applied in Lesotho and will be introduced by the project.

**Outputs:** The certification process will require the farmers to practice very high standards of production thus resulting in healthy animals, well managed landscapes, rangelands, and pastures, proper destocking, and bio-diversity management. The TC managed value chain visibility platform will serve as a data repository for the compliance of role players to the requirements for certification. The reports of the platform will provide the data required by the TC, the PCU and the government of Lesotho (GoL), to coordinate the activities related to certification, de-stocking, landscape regeneration, animal healthcare, shed management, and compliance parameters.

**Component 3: Outreach and knowledge management and communication** for promotion of sustainable wool and mohair production

The component includes monitoring and evaluation and knowledge management. The component will include a sub-component on communication (including public awareness campaigns) for behaviour change and monitoring for learning. The activities of this component will serve to facilitate the effective and efficient implementation of Components 1 and 2. Its activities will include gender and youth responsive monitoring and evaluation and the knowledge management functions and will result in shearing shed associations and grazing associations being trained in participatory rangelands and pastures monitoring and evaluation.

**Outcome: 3.1 Improved understanding on the importance of responsible and sustainable wool and mohair production in Lesotho**

This sub-component will serve to facilitate the effective and efficient implementation of Components 1 and 2.

**Output 3.1.1 Shearing Sheds Associations, and Grazing Associations trained in participatory rangelands and pastures monitoring and evaluation. 50 % female 50 % men will be targeted**

**Outputs:** This intervention will result in i) shearing shed associations, grazing associations etc. being trained in participatory rangelands and pastures monitoring and evaluation. 50 % female 50 % men will be targeted. ii) Knowledge sharing events conducted to enable the networking with stakeholders to facilitate further uptake responsible standards. iii) Project gender disaggregated M&E system enables tracking of project progress, performance and specifically capturing best practices to enable replication of responsible standards.

**Outcome: 3.2: Improved learning and knowledge Management functions and communication strategy.**

Its activities will include the knowledge management functions and communication (including public awareness campaigns) grievance redress mechanism and citizen engagement. WaMCoP communication channels that facilitate knowledge sharing and engagement among project stakeholders will also aim at creating a broader inclusive societal awareness on key areas of concern, such as child labour in the wool and mohair sector (children employed as herders) and the existential threat to households and communities posed by landscape degradation. Through TV and radio campaigns, KM will also play a role in raising awareness for HIV prevention and gender based violence. WaMCoP will also partner with Lesotho National Federation of Organisations of the Disabled (LNFOD) for showcasing successful cases of farmers with disabilities, with the intent of reducing the stigma around employment of persons with disabilities (PwDs) in agriculture. In collaboration with ROLL, school visits will be organised to areas with successful rangeland management initiatives, as well as to cottage industries where PwDs are employed. WaMCoP's visibility will be enhanced through a project website, as well as through social media accounts. The WaMCoP M&E and KM unit will ensure that information on project services and eligibility criteria reaches all farmers in a timely manner.

**Output 3.2.1.: Knowledge sharing events conducted to enable the networking with stakeholders to facilitate further uptake of responsible standards**

Knowledge sharing events conducted to enable the networking with stakeholders to facilitate further uptake of responsible standards.

**Outcome 3.3: Project implemented in accordance with the principles of Results-Based Management including the development of the MRV system for data collection.**

**Output**

**3.3.1. System for project monitoring and evaluation designed and operational.**

**Output 3.3.2. Evaluations of projects completed on time to facilitate project delivery and knowledge sharing**

**Output 3.3.3. Monitoring Reports submitted timely**

**This component will serve to facilitate the effective and efficient implementation of Components 1 and 2. It will also include the Monitoring and Evaluation function of project activities including monitoring the implementation of the gender action plan. Strong emphasis will be placed on monitoring of performance regarding gender outcomes and youth empowerment. The monitoring system will collect data that is sex, age and civil status disaggregated on women and youth participation in relation to targets of 50 % women; 50 % men. Through a combination of close monitoring, data collection, the innovations promoted will be catalogued and where clear impact is demonstrated scaled-up.**

**The following are the stakeholder who contributed to the development of the proposal and will contribute towards its implementation.**

STAKEHOLDER CATEGORY	STAKEHOLDER	ROLE IN PROJECT
<b>Government</b>	<u>Ministry of Agriculture, Food Security and Nutrition (MAFSN)</u>	The MAFSN is an executing agency together with the Ministry of <u>Defence, National Security and Environment (MDNSE)</u> . MAFSN will lead the baseline and the GEF project in close coordination with (MDNSE). MAFSN will house a Project coordination unit that will focus on the coordination of efforts and effective project delivery daily.
	<u>Ministry of Defence, National Security and Environment (MDNSE)</u> .	The Ministry (MDNSE). is a co-executing agency that will lead on the GEF aspects and ensure the mainstreaming of sustainable management and the generation of global environmental benefits (GEBs)
	Lesotho Meteorological Services (LMS)	LMS will provide technical inputs and support efforts in integrating climate change mitigation (carbon sequestration from rangelands and emission reductions from livestock destocking
	Ministry of Finance and Development Planning	The Ministry will play a coordination role among line Ministries and development partners and will be included as part of the broader project steering committee.
	<u>Ministry of Local Government, Chieftainship, Home Affairs and Police (MLGCHAP)</u>	The <b>MLGCHAP</b> will act as one of the principal technical partners that will provide expertise in terms of sustainable land management and administration. MLGCHAP will also play a project coordinating role together with MNR and MAFSN for the local level implementation.

	Ministry of Information, Communication, Science, Technology and Innovation	<b>Appropriate Technology Section (ATS)</b> Provision of technical support on and supply of energy and time saving technologies
	<u>Ministry of Natural Resources (MNR)</u>	The Ministry MNR will play a role in supporting the project activities as well as provision of advisory and technical knowledge on development on water and management of water resources
	<u>Ministry of Gender, Youth, Sports, Arts, Culture and Social Development</u>	Technical support on gender and youth related issues. May provide guidance and support on empowerment initiatives for women and youth in the project areas
	Lesotho National Development Corporation (LNDC)	This parastatal will support the project by providing advisory services to the design of the Trust Company and will equally serve as a shareholder in the entity.
<b>Community based organizations</b>	Lesotho National Wool and Mohair Growers Association (LNWMGA)	The LNWMGA will play a critical role in terms of supporting project implementation, as it will facilitate linkages to the shearing sheds and potentially, implement the culling and exchange programme.
	Shearing Shed Associations	The shearing sheds will be the operational entry point for the project and will be the primary interface between the project and farmers. The shearing shed associations will therefore help shape project activities and customize them to match the needs of the rural population.
	Community-based Organizations (CBOs)	The CBOs will assist with planning implementation, monitoring social and economic development activities and provide technical support to the project strategy to catalyse behavioural change.
<b>Private sector</b>	ACE	ACE will provide cooking stoves to households engaged under WaMCoP under a 50 % subsidy.

## Incremental/Additional Cost Reasoning.

**In order to transform the IFAD funded project with national/local benefits to deliver global environmental benefits, GEF funding was requested. GEF funding will definitely assist in the scaling of the project to reach more deserving stakeholders and conserve more landscapes. without GEF funding the following programmes would not be funded:**

- **On the programmatic front, the GEF resources are geared at financing critical activities related to enhanced rangeland/land management**

- The prospective work on carbon in-setting and exploring natural capital accounting that can underpin the wool and mohair value chain, reflects transformative innovations that fundamentally require the GEF incremental costs.
- biodiversity enhancement, conservation and its long-term use.
- Establishment of the Responsible livestock production value chain (VC) production systems.
- Improve the resilience of landscapes and communities in degraded ecosystems and drought-prone areas by encouraging inclusive and environmentally sustainable wool and mohair VC growth.
- Advance low-emission production into the VC by determining and testing appropriate emission reduction measures and accounting procedures.
- Institute end-to-end traceability and certification system in Lesotho.
- Enhance landscape preservation by destocking (through culling and exchange), rotational grazing, and the construction of soil erosion control structures such as check dams, gabions, side drains, terraces, and contour bunds.
- 

### *Gender Equality and Women's Empowerment.*

In previous projects implemented in the country, there was a significant imbalance in gender representation since women accounted for approximately 20 % of participants. Women, however, should be at the forefront and their participation in climate change action is gradually increasing. Thus, the target for this WaMCoP-GEF Project will be to have 50 % of women beneficiaries.

Women in Lesotho make up most of the agricultural labour force and make substantive inputs to household food security through their active participation in agriculture, livestock production (Especially small

ruminants), and other non-farm activities. These multiple responsibilities together with household management and childcare result in time poverty. However, their roles are generally undervalued and constrained by limitations on control over resources, services, and labour market opportunities. Women and girls aged 15+ spend 15.6 % of their time on unpaid care and domestic work, compared to 6.2 % spent by men (Country Factsheet, UN Women<sup>[11140]</sup>).

There are multifaceted barriers to women's participation which are deeply rooted in cultural ideologies, religion and social norms and socialization. Despite several attempts by the government to include women in decision making positions such as using affirmative action using quotas and the PR system, women are still not effectively participating in governance issues especially at national level. Moreover, women still experience several barriers that prohibit them to fully participate in governance processes and these barriers are deeply rooted in the country's culture, tradition and social norms that negatively affect women. Men on the other hand have used the ecosystem to their advantage by continuously suppressing women in issues of leadership despite the gender frameworks in the country.

In most cases, women walk long distances in search of arable land and to fetch water and firewood, thereby compounding the heavy workloads. In most rural areas, especially dry areas, women depend on wells, springs, streams, and rivers for water for domestic use.

In a bid to empower women, the government has made several attempts to include women in decision making positions such as affirmative action using quotas and the PR system. Also, the systematic inclusion of women and gender aspects in conservation efforts has the potential to create positive impacts on poverty alleviation, natural resource management and the empowerment of women.

The project will ensure the inclusion of women in the implementation of the project, from the project management board and the project management team to the consultants, through training and active participation in the consultation workshops. In this sense, project management and monitoring will be gender sensitive, including sex-disaggregated indicators showing who is involved and whose views are represented. In short, gender considerations

will be cross-cutting in this project, in terms of both its products and its processes.

### *Knowledge Management.*

Several key WaMCoP-GEF outcomes, such as increased inclusiveness and improved management of the Wool and Mohair value chain, will necessitate qualitative studies to supplement the quantitative evidence collected by the project's M&E system and provide guidance for policy engagement. The project will conduct qualitative research and create knowledge products on impact areas such as biodiversity innovations, changes in interactions among value chain actors, changes in access to value chains, and benefits from WaMCoP supported innovations for the most vulnerable. Overall, the project will facilitate evidence-based decision making across the entire value chain.

The broader mainstreaming themes of WaMCoP and WaMCoP-GEF will be harmonized, ensuring that key areas of concern, such as climate change, land degradation, and biodiversity management, are prioritized. As previously stated, the project will take a systematic approach to gathering data and generating key findings; this is also true for the identified mainstreaming themes. Climate change considerations will be communicated through television, radio, and online media campaigns. WaMCoP-GEF and ROLL will collaborate to create knowledge management reflection sections and clinics that will address key issues related to rangeland management and biodiversity management/awareness. This will be critical in ensuring that the projects identify key success factors and challenges in rangeland and biodiversity management.

WaMCoP—GEF's visibility will be increased through the creation of a project website as well as social media accounts. WAMPP experience revealed that information on project services sometimes arrived late to farmers who were not members of shearing shed associations, causing dissatisfaction among marketing group farmers who felt excluded. The WaMCoP-GEF M&E and KM unit will ensure that all farmers receive timely information on project services and eligibility criteria.



**[1] Responsible standards requires visibility and traceability of operations and product transformation along the commodity VC. It further requires improvements in areas of animal welfare, improved management of the environment, and a focus on the approved labour conditions of workers along the VC.**

**[2] The Wool and Mohair Promotion Project (WAMPP) was designed to boost resilience to the adverse effects of climate change and economic shocks among poor rural people across the country. The project had three components: i) Climate-smart rangeland management, ii) Improved production and management of livestock and iii) Improved handling and marketing strategies for wool and mohair fibers. It focuses on the rangelands that cover more than two thirds of the country's surface. Activities targeted smallholder farmers and other poor rural dwellers, giving special attention to poor rural women and young people in the project area. The proposed WaMCoP will build on the successes of the WAMPP project and target the same stakeholders for upscaling.**

**[3] This acts as a major institutional innovation, which will create greater coordination within the value chain.**

**[4] This component will focus on the three pillars of livestock development: (i) animal health; (ii) animal nutrition; and (iii) animal breeding. This three pronged approach will ensure improved yield per animal and a lower carbon footprint. Reduced herd size, aligning stocking rate with the changing biomass availability, will eventually improve farming productivity. The expected result is higher quality wool and mohair**

**[5] Incentives include: market opportunities to obtain higher prices for improved quality of livestock following the culling-exchange interventions to reduce flock-size, payment for ecosystem services; offering premium process to producers who meet certain sustainability and animal welfare criteria, certification programme, through industry collaboration /partnership stakeholders can share knowledge for sustainable production,**

**[6] This approach will align with carbon in setting, which should see greater sustainable practices within Lesotho's wool and mohair value chain. Once the approach is clarified, nature-based solutions, such as renewable energy and regenerative agriculture, will be implemented along the value chain.**

**[7] Coalitions, which will be groupings of different interest groups in a landscape, brought together for a common purpose**

**[8] The work will be closely coordinated with and building on work started by the big broking firms that pilot the responsible production standards in Lesotho. The TC-TF consortium as an industry level organization in Lesotho will oversee and improve the national roll-out and seek PCU support as needed.**

**[9] The work will be closely coordinated with and building on work started by the big brokering firms that pilot the responsible production standards in Lesotho. The TC-TF consortium as industry level organization in Lesotho will oversee and improve the national roll-out and seek PCU support as needed.**

**[10] 750 landscape coalitions are promoted and strengthened by ROLL, and this shows a clear link at shed level between the two complementary projects.**

[11] <https://data.unwomen.org/country/lesotho>

## **Coordination and Cooperation with Ongoing Initiatives and Project.**

Does the GEF Agency expect to play an execution role on this project?

No

If so, please describe that role here. Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing

WaMCoP-GEF will be incorporated into the WaMCoP project, which is supported by IFAD, OFID, and the GoL. The WaMCoP and WaMCoP-GEF projects will be carried out by the same PCU within the Ministry of Agriculture, Food Security, and Nutrition (MAFSN). The intervention's executing agency will be the Ministry of Agriculture, Food Security, and Nutrition (MAFSN), which will house the project coordination unit (PCU) and oversee day-to-day coordination and effective project delivery. The Trust Company, a non-profit wool and mohair sectoral organization, will also help with project implementation and will collaborate with the PCU on key activities. Technical partners such as the Ministry of Defence, National Security, and Environment (MDNSE) will be enlisted to provide technical support and aid in project delivery. A Project Steering Committee (PSC) comprised of MAFSN, MDNSE, the Ministry of Trade, Industry, Business Development, and Tourism (MTIBDT), and the Ministries of Local Government, Chieftainship, Home Affairs, and Police will provide strategic level oversight and ensure project coherence. In accordance with best practices, reporting, monitoring, and accounting (expenditure records) for specific financiers, including the GEF, will be kept separate.

Local project delivery will be centered on shearing sheds, which serve as the primary service point for key wool and mohair related activities. As a result, the project will collaborate closely with major producer organizations, farmers, and herd boys involved in the wool and mohair value chain. The pluralistic implementation model, in which the PCU leads on component 1 and the Trust Company leads on component 2, is expected to result in a fluid approach to overall project implementation. The Trust Company will act as the project's de facto exit strategy, ensuring that all critical activities undertaken by the project can be continued after the seven-year intervention is completed. The PCU, on the other hand, will closely monitor and evaluate progress across both components, as well as ensure the establishment of a monitoring and feedback loop. The Trust Company is expected to play a larger role in project implementation beginning in year two of the project, gradually building capacity to take on more activities.

As the GEF Agency, IFAD will oversee the project's overall implementation. Details of the project's implementation arrangements and responsibilities, including those for Lesotho partner institutions and the project steering committee, will be agreed upon during project preparation based on the partners' respective fields of expertise and comparative advantages.

### ***Coordination with other relevant GEF-financed projects and initiatives***

The WaMCoP-GEF project will collaborate closely with several ongoing GEF and LDCF initiatives in Lesotho, including:

- **Regeneration of livelihoods and landscapes.** This GEF funded intervention, supervised by IFAD aims to support rural communities to transform their landscapes and livelihoods by adopting sustainable land management practices. It is already envisioned that there will be linkages between the WaMCoP and the ROLL as the projects will overlap implementation in the high-priority districts outlined above (highlands). Moreover, it is anticipated that the ROLL PMU and WaMCoP -GIF PCU will sign a memorandum of understanding to anchor implementation related complementarities.
- **Integration of Natural Capital Accounting into Lesotho's Policy and Decision Making for Sustainable Development.** The GEF funded intervention, implemented by the United Nations Environment Programme (UNEP), aims to mainstream natural capital through the application of natural capital accounting (NCA) in integrated watershed management. Component 2, which seeks to support the precise practical application for a distinct watershed management approach offers key lessons for the ambition under WaMCoP, to have a natural capital account for the wool and mohair sector. It is expected that both projects will have synergies and collaborate on supporting natural capital in Lesotho.
- **Building climate-resilient livelihoods and food systems.** The GEF funded project implemented by FAO. The project aims to develop decision-support systems for policymakers and practitioners to assist with formulating and evaluating policies and measures for climate-resilient food systems transformations and focuses on agricultural water management. The project's objective is to enhance the climate resilience of landscapes and communities for food security through sustainable water management. The project strategy is to leverage all key stakeholders and initiatives towards the goal of LDC graduation and building a sustainable, resilient, inclusive economy and food-secure society - as envisioned in the second National Strategic Development Plan (NSDP II) 2019-2023, where agricultural water management is the central pillar of climate resilience.
- **Strengthening Climate Services in Lesotho for Climate Resilient Development and Adaptation to Climate Change.** The GEF funded project implemented by UNEP. The aim of the project was to provide community-based early warning services, the installation of weather monitoring equipment and the training of staff in agro meteorology, forecasting and early warning methods and approaches. The project focuses on the reduction of the country's vulnerability and risk to climate change hazards, characterized by irregular and unpredictable rainfall associated with increased floods and landslides as well as seasonal and prolonged droughts, through the development of an Early Warning System (EWS) and enhancing the availability of climate information for long-term planning. The project will be demonstrated in six pilot sites to test the effectiveness of the EWS on now cast weather, flood forecasting and advisories capacity.
- **The second phase of the Early Warning Systems project 2019-2023 (EWS II).** Looks to reduce the vulnerability of agriculture, water systems, and livelihoods to climate change impacts across the country by establishing new Early Warning Services (EWS) and scaling up existing EWS. EWS is an adaptive measure for climate change, using integrated communication systems to help communities prepare for hazardous climate related events.

The EWS project involves the repair and upgrading of existing climate monitoring equipment, and the installation of new meteorological equipment, including synoptic stations, automatic rain gauges, and Agromet stations. This equipment helps with the collection of climate data and information. The project also involves the training and capacity development of additional agrometeorologists, forecasting officers, senior technical officers, and GIS and IT operators/technicians to ensure sufficient human resource capacity to sustainably operate this equipment.

## Core Indicators

### Indicator 3 Area of land and ecosystems under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
157000	0	0	0

#### Indicator 3.1 Area of degraded agricultural lands under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
Rangeland and pasture	4,500.00			

#### Indicator 3.2 Area of forest and forest land under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
2,500.00			

#### Indicator 3.3 Area of natural grass and woodland under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
Natural grass	150,000.00			

#### Indicator 3.4 Area of wetlands (including estuaries, mangroves) under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

### Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
7000	0	0	0

#### Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
2,500.00			

#### Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

#### Type/Name of Third Party Certification

#### Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
4,500.00			

#### Indicator 4.4 Area of High Conservation Value or other forest loss avoided

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

#### Indicator 4.5 Terrestrial OECMs supported

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

#### Documents (Document(s) that justifies the HCVF)

Title

#### Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
<b>Expected metric tons of CO<sub>2</sub>e (direct)</b>	5060149	0	0	0
<b>Expected metric tons of CO<sub>2</sub>e (indirect)</b>	0	0	0	0

#### Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
<b>Expected metric tons of CO<sub>2</sub>e (direct)</b>	5,060,149			
<b>Expected metric tons of CO<sub>2</sub>e (indirect)</b>				
<b>Anticipated start year of accounting</b>	2024			
<b>Duration of accounting</b>	20			

#### Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
<b>Expected metric tons of CO<sub>2</sub>e (direct)</b>				
<b>Expected metric tons of CO<sub>2</sub>e (indirect)</b>				
<b>Anticipated start year of accounting</b>				
<b>Duration of accounting</b>				

#### Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
<b>Target Energy Saved (MJ)</b>				

**Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)**

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)
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**Indicator 11 People benefiting from GEF-financed investments**

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
<b>Female</b>	112,500			
<b>Male</b>	112,500			
<b>Total</b>	<b>225,000</b>	<b>0</b>	<b>0</b>	<b>0</b>

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

The primary target group will be smallholder farmers willing to engage in the wool and mohair sector, specifically the resource-poor ones. The target group will be predominantly smallholder wool and mohair farmers. The main operational entry point for the project will be the shearing sheds, and therefore the wool and mohair farmers members of Farmer Associations at shearing shed level will represent the primary target group. The project will target target the communities that are not reached by ROLL. The project applies a combination of geographic and social targeting. Starting in four districts, which are characterised with highest poverty incidence based on World bank assesment , highest levels of wool and mohair production (yields and numbers of animals), and significant share of rangelands, The project will build experience and impact in areas where support is most needed and impactful for the production system, before scaling out to the other six districts from year 3. The direct beneficiaries who will receive support from GEF resources will be 225 000 beneficiaries representing 45 000 households. The targeted areas having an average of 5 members per household in the targeted areas. The 45 000 households will comprise of 30 000 small and medium farmers who will benefit from WaMCoP inkind loans, 15 000 poor farmers mostly women who will benefit from savings groups cooking stoves. The proposed target is based on the costs of achieving the target per beneficiary, land area available in target locations and the total investment available. Women represent at least 50% of people directly involved in project activities. An appropriate social targeting strategy will be developed, and the targeting performance will be monitored continuously. All people-centred data will be disaggregated by gender, age, and persons with disabilities (PwDs). A detailed targeting strategy for women, youth, and PwDs will be developed at design. The Global Environment Benefits targets align with the government's Land Degradation Neutrality Targets, the costs of implementation, challenges, and the capacity that will be available to implement the activities.

**Risks to Project Preparation and Implementation**

Summarize risks that might affect the project preparation and implementation phases and what are the mitigation strategies the project preparation process will undertake to address these (e.g. what alternatives may be considered during project preparation- such as in terms of consultations, role and choice of counterparts, delivery mechanisms, locations in country, flexible design elements, etc.). Identify any of the risks listed below that would call in question the viability of the project during its implementation. Please describe any possible mitigation measures needed. (The risks associated with project design and Theory of

Change should be described in the “Project description” section above). The risk rating should reflect the overall risk to project outcomes considering the country setting and ambition of the project. The rating scale is: High, Substantial, Moderate, Low.

Risk Categories	Rating	Comments
Climate	Substantial	<p>The main climate change risks to reaching the WaMCoP-GEF objectives include rising temperatures and rainfall variability with more intense rainfall in some areas, shorter rainy seasons and potential droughts in some locations. Rainfall is expected to decrease by 50 and 100 mm per annum in the Lowland, Foothill, and southern Senqu Valley zones by the end of the century. Temperatures are expected to increase by more than 2.0°C for the 2050s and by 4.4°C by the end of the century. High temperatures may lead to decreased yields and quality of fodder and degradation of grazing rangelands, increased pests and diseases incidences, poor drainage in low-lying areas and soil erosion that results in reduced water holding capacity and soil fertility. The project strategically seeks to promote climate smart agriculture to help offset the environmental risks</p>
Environment and Social	Moderate	<p>The environmental vulnerabilities for WaMCoP-GEF activities include erosion, which may increase due to cultivation on slopes and sheep rearing. This will lead to land degradation and possible siltation of water channels. The current soil fertility conditions entail increased use of agro chemicals for the desired levels of fodder production, which will lead to diffuse sources of pollution in some locations. Discharge of poor-quality effluent from slaughter slabs and other wool and mohair value chain processing will result in point sources of pollution at these sites. The project</p>



		strategically seeks to promote environmentally friendly approaches to help offset the environmental risks.
Political and Governance	High	Political risks: Changes in political circumstances and government priorities Broad stakeholder engagement and aligning the project to broader government development goals embedded in government institutions will support the management of changes in political circumstances
Macro-economic	High	<p>Growth in Lesotho has been subdued for several years, even prior to the pandemic in 2020. The macroeconomic outlook for the country is contingent on the performance of South Africa and the United States. However, transfers from the Southern African Customs Union (SACU) which account for around half of the total tax take, will continue to reduce due to the economic contraction in the SACU region. This will require further economic adjustments in Lesotho and could very well see limited counterpart financing.</p> <p>Notwithstanding the importance of counterpart finance from the Government of Lesotho, the project is taking strides to mobilise counterpart finance from the private sector. This should insulate the project to some degree from the uncertainties embedded in the macroeconomic climate of the country. Experience has also shown that on-going projects have considerable leverage to advocate government to advance outstanding counterpart finance and this experience will feed into the legal</p>

		agreement and equally into discussions with government.
Strategies and Policies	Moderate	<p>The policy environment surrounding WaMCoP-GEF is favourable, as the comprehensive national agricultural policy, the national strategic development plan, and the livestock development policy all underscore key tenants of the project. However, the wool and mohair sector is still not underpinned by a clear and predictable sectoral strategy and this does pose some degree of risk, as ad-hoc policy decisions (i.e., marketing regulations of 2018) have often been undertaken in the vacuum of clear policy orientation. Under component 1 of the project, there will be concerted effort in supporting a sectoral strategy that will underpin key interventions in the sector. The sectoral strategy will be evidence-based and will look to create greater strategic and policy coherence in the wool and mohair sub-sector. Moreover, it is envisioned that the Trust Company will also be a player that drives policy development and can engage with the government on substantive issues.</p>
Technical design of project or program	Low	<p>The project technical design has benefitted from consultations with government agencies and has received political will. The engagement with other stakeholders will continue at PPG and during implementation.</p>
Institutional capacity for implementation and sustainability	Moderate	<p>Lack of technical and institutional capacities for the promotion of responsible production and improved management of rangelands and ecosystems. Capacity building is part of this project design, and therefore, capacity needs will be identified to ensure that the required policy and</p>

		<p>institutional capacities are in place. Logistical and financial support will be offered to government staff involved in the project. WaMCoP-GEF will promote regular feedback sessions. The involvement of the private sector will be instrumental in offering quick returns to mitigate this risk</p>
Fiduciary: Financial Management and Procurement	High	<p>Lesotho Government currently uses Integrated Information Management Systems (IFMIS) for financial accounting and reporting. IFMIS can provide adequate audit trail, regulate access control, and budget vs actuals reports. However, donor project accounting is done outside IFMIS because of operational issues such as incomplete records and unreconciled items. Timely procurement of an off-the-shelf accounting software with the adoption of the chart of accounts of the Ministry of Finance in anticipation of transition to IFMIS when the operational challenges are resolved. The software shall have an effective budget module and reporting capacity aligned to IFAD's minimum requirements at the PCU and for all implementing agencies with fiduciary responsibilities. WaMCoP PCU shall prepare consolidated intermediary financial reports (IFRs) for the purposes of monitoring and reporting to IFAD.</p>
Stakeholder Engagement	Moderate	<p>This is a demand driven program, and the small producers/farmers have put this program and climate change high in their agenda. Regular follow-up, keeping the momentum, and sharing of information, visit exchanges, etc. stakeholder plan will be developed during design stage</p>
Other		

Financial Risks for NGI projects		
Overall Risk Rating	Substantial	The risks associated with WaMCoP-GEF may be classified under the substantial bracket because of the vulnerability of the livestock sub-sector and the target areas selected. Food security and sufficiency has always been a major issue in the country and amplified with the negative effects of climate change.

### C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Describe how the proposed interventions are aligned with GEF- 8 programming strategies and country and regional priorities, including how these country strategies and plans relate to the multilateral environmental agreements.

Confirm if any country policies that might contradict with intended outcomes of the project have been identified, and how the project will address this.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how. (max. 500 words, approximately 1 page)

The project design is consistent with the following objectives of the GEF8 biodiversity, climate change and Land degradation focal areas as reflected in the GEF8 document. This project is aligned with:

Biodiversity Objective 1. To improve conservation, sustainable use, and restoration of natural ecosystems

Climate change Pillar I: Promote innovation, technology development and transfer, and enabling policies for mitigation options with systemic impact

#### 1.4. Promote Nature-based Solutions with high mitigation potential

- LD-1-1: Agriculture and Rangeland Systems: Maintain or improve flow of agroecosystem services to sustain food production and livelihoods through SLM
- LD-1-4: Integrated Landscapes: Reduce pressures on natural resources from competing land uses and increase resilience in the wider landscape
- LD-2-5: Create enabling environments to support scaling up and mainstreaming of SLM and LDN
- Besides the GEF Land Degradation Focal Area Objectives, the project is aligned and conceived to contribute to the following UNCCD 2018 – 2030 Strategic Framework:
  - Strategic Objective 1: To improve the condition of affected ecosystems, combat desertification/land degradation, promote sustainable land management and contribute to land degradation neutrality;
  - Strategic Objective 2: To improve the living conditions of affected populations;
  - Strategic Objective 3: To mitigate, adapt to, and manage the effects of drought in order to enhance resilience of vulnerable populations and ecosystems; and
    - Strategic Objective 4: To generate global environmental benefits through effective implementation of the UNCCD

### Global Environmental Benefits

WaMCoP-GEF will support, (i) responsible wool and mohair production (ii) the reduction of environmental degradation, (iii) climate resilience; and (iv) biodiversity conservation and improved economic permanence of the wool and hair VC. The project will support carbon emission reduction and enhance carbon sequestration potential through the preservation of pastures and prevention of further degradation and at the same time increasing productivity. WaMCoP will contribute to enhancing resilience of the targeted households through climate-sensitive investments at community level, and to rehabilitate and sustainably manage rangelands. The investment will result in setting up the system for rangeland management and carbon accounting certification.

The rangeland management related activities will include:

- i) forming landscape coalitions, (LC) inclusive of farmer associations, as well as traditional and formal authorities;
- ii) each LC adopts the responsible production standards for wool and mohair;
- iii) each LC jointly develops land management, soil health and biodiversity plans, along with by-laws, i.e., local regulations on destocking and rotational grazing;
- iv) and each LC access project deployed financing incentives, including funding from the Regeneration Opportunities Fund to co-finance the implementation the plan and enforce the local regulation; and
- v) SSMU supports each linked LC to get certified compliant for responsible production and for low emission production and biodiversity enhancing.

WaMCoP-GEF will take a landscape management approach, informed by lessons learned on the interlinked challenges of poverty, ecosystem services, climate change, biodiversity conservation, institutional performance, governance, and community-based engagement and management.

WaMCoP-GEF will be fully blended with GoL, IFAD, private sector and OFID resources to fund locally driven planning and replicable, innovative investment action, and the following global environmental benefits in line with GEF 8 core indicators:<sup>[141]</sup>

- Area of land restored: 150,000 ha in four districts contributing 23% to 650 000ha LDN national target. This encompasses (rangelands, shrub lands and grasslands) and forested land (with climate resilient practices). The restoration activities will include – sustainable land management, rotational grazing, destocking, soil health improvements, and biodiversity enhancement debushing.
- Area of landscape under improved management practices: 7000 ha (2 500 ha of restored forest and shrub land, 4,500 ha of restored agricultural land) in four districts of Lesotho. Greenhouse gas emissions mitigated: The estimations of emissions will be calculated using the Global Livestock Environmental Assessment Model GLEAM-i) on grasslands, shrub lands, cropland, and rangelands
- 45 000 households and 225 000 beneficiaries (50% ♂ and 50% ♀) direct beneficiaries

#### Additional Global Environmental Benefits

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- Enhanced sustainable livelihoods for local communities and ecosystem-dependent people;
- Climate Change Mitigation through potential carbon in setting across the wool and mohair value chain
- Carbon accounting will support an improved understanding and awareness of opportunities for improved biodiversity management:
- Mitigation and monitoring of GHG emissions from land degradation and land use change in the two protected area landscapes;
- Forest conservation and management with sustained carbon sequestration and the concomitant avoidance of greenhouse gas emissions;
- Conservation and enhanced carbon stocks in agriculture, forestry, and other land use

*Further the project is consistent with relevant conventions:*

**UNCCD NAP:** The main goal of the Lesotho NAP is to structure and guide the UNCCD implementation and define the elements of strengthening environmental capacities, increasing public awareness, and mobilizing active participation to better manage natural resources and combat desertification, land degradation, and drought (DLDD). The goal also includes elements for strengthening environmental policy, legal, and institutional foundations. The program strives to ensure collaboration and coordination among government institutions, non-governmental organizations (NGOs), the donor community, and the general public in order to reduce duplication and fragmentation of efforts and maximize impact. The need for accountability and transparency among institutions, organizations, and agencies involved in the NAP's implementation is critical.

**LDN:** Lesotho joined the Land Degradation Neutrality (LDN) Target Setting Programme (TSP) and committed to achieving LDN by 2030, recognizing the importance of land as a vital resource for human health and wellbeing. Specific targets until 2030 as outlined in its LDN report (2019) include:

- Improve productivity and soil organic carbon stocks to 1% in all land classes by 2030 as compared to 2015;
- Rehabilitate 600,000 hectares of degraded land to functionality by 2030;
- Convert 135,600 ha of bush land back to rangeland by 2030 as compared to 2015;
- Halt the conversion of forests and wetlands to other land cover classes by 2022;
- Increase forest cover by 61,325 ha by 2030 as compared to 2015;
- Reduce the rate of soil erosion and sealing (conversion to artificial land cover) by 20 % by 2030 as compared to 2015.

**National Communication:** Lesotho's first national communication (NC1) was submitted in 2000 and reiterated that despite both short- and long-term training that had taken place in climate-related fields, the country required additional financial resources and greater coordination skills to build institutional capacity and take the subject of climate change to a broader audience, including rural communities.

The second national communication (NC2) was submitted in 2023 and followed up on the NC1 in analyzing critical climate impacts and providing updates on what policies and measures the country has taken and envisaged to implement the Convention.

The third national communication (NC3) was submitted in 2023 and followed up on the NC1 in analyzing critical climate impacts and providing updates on what policies and measures the country has taken and

envisaged to implement the Convention. It outlines how Lesotho has since made notable advances in transforming its national circumstances, and particularly its climate change policies and institutional arrangements, which included the establishment of the National Climate Change Committee (NCCC). Lesotho Meteorological Services (LMS) was restructured to accommodate the secretariat of the National Climate Change Committee as it pursues and implements the National Climate Change Policy (NCCP) and the Nationally Determined Contributions (NDC). These policies and institutional arrangements have helped to respond to climate change challenges in a more systemic manner.

**NDC.** Lesotho's 2017 NDC identifies several adaptation needs to which the proposed WaMCoP-GEF project will contribute, most notably a) the need to improve data and information gathering, analysis, and monitoring capacities in order to mainstream CC approaches into natural resource management across sectors, and b) the establishment of a systemic enabling working environment. In terms of specific adaptation actions, the NDC refers to the previously established NAPA.

In terms of livestock/agriculture, the NDC for Lesotho includes the following potential waste mitigation measures: Introducing waste reduction targets (e.g., % of waste sent to landfill), and recycling; Reducing traditional use of firewood in households with sufficient livestock by installing biogas digesters to generate cooking gas.

Many of the actions/plans/adoption targets outlined in the NDC have co-benefits in terms of strengthening food security, poverty reduction, and resilience, such as: Sorghum breeding for high yield and drought tolerance; Smallholder Agriculture Development Project; Cropping Systems (2011 - 2017); Lesotho Block Farming Initiatives; High efficiency irrigation systems: Gravity & Drip; and so on.

The NDC includes adaptation measures to promote environmentally sustainable agriculture production, such as: 1. Capacity building in sustainable forest management; 2. 120,000 ha reforestation from 2015 to 2030; 3. Land rehabilitation program; 4. Reducing vulnerability to climate change in the foothills, lowlands, and Lower Senqu River Basin; 4. Wetlands restoration and rehabilitation project; 5. Developing capacity for climate change adaptation capacity.

The NDC aims to make agricultural and food systems more inclusive and efficient through adaptation actions such as conservation advocacy, extension/training, and research integration into formal curricula; climate change adaptation of small-scale agricultural production; the Lesotho wool and mohair improvement project (2015-2022); developing mechanisms to improve access to climate change adaptation technologies (2015-2020); and improving capacity to cope with natural disasters.

The NDC is currently under revision. It is being strengthened by taking a whole-of-government and whole-of-society approach, including engagement with religious leaders, communities, youth, women, and key vulnerable groups.

**NAPA.** The Lesotho NAPA identifies 11 priority adaptation options including the ones on livestock and agriculture. The key objectives of the Lesotho NAPA were set as:

- Identification of regions and communities vulnerable to climate change
- Assessment of impact of climate change on community livelihoods
- Identification and prioritization of responsive adaptation activities for implementation in the vulnerable zones

**The NAPA Adaptation Options for Lesotho include:**



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[\[2\]42](#) Option 1: Improve Resilience of Livestock Production Systems Under Extreme Climatic Conditions in Various Livelihood Zones in Lesotho

Option 2: Promoting Sustainable Crop Based Livelihood Systems in Foothills, Lowlands, and Senqu River Valley.

Option 3: Capacity Building and Policy Reform to Integrate Climate Change in Sectoral Development Plans.

Option 4: Improvement of an Early Warning System against Climate Induced Disasters and Hazards.

Option 5: Securing Village Water Supply for Communities in the Southern Lowlands.

Option 6: Management and Reclamation of Degraded and Eroded Land in the Flood Prone Areas (Pilot Project for Western Lowlands).

Option 7: Conservation and Rehabilitation of Degraded Wetlands in the Mountain Areas of Lesotho.

Option 8: Improvement of Community Food Security through the Promotion of Food Processing and Preservation Technologies.

Option 9: Strengthening and stabilizing eco-tourism based rural livelihoods.

Option 10: Promote Wind, Solar and Biogas Energy Use as a Supplement to Hydropower Energy.

Option 11: Stabilizing Community Livelihoods which are Adversely Affected by Climate Change through Improvement of Small-Scale Industries

Activities under this project, included under the NAPA, include capacity building of communities and promotion of catchment management, Improvement of the Resilience of Livestock Production Systems under Extreme Climatic Conditions, and Conservation and Rehabilitation of Degraded lands. The proposed project also contributes to Option 3 “Capacity Building and Policy Reform to Integrate Climate Change in Sectoral Development Plans”. The top two options (livestock and arable agriculture) emerged as high priority options for the country. This is also aligned to the national strategies for poverty reduction because agriculture (livestock and crops) are key economic activities in Lesotho’s rural areas.

**National Disaster Management Plan (NDMP):** The NDMP aims to reduce the country's vulnerability to climate-related disasters such as sustained and severe droughts; increase its capability to prevent, alleviate, contain, or minimize the effects of climate-related disasters; improve readiness or preparedness to deal with climate-related disasters; and ensure full recovery from disaster impacts. As a result of the severe erosion, GEF assistance will not only support the overall objectives of disaster management, but will also strengthen and capacitate the process of disaster mitigation planning.

**Poverty Reduction Strategy:** Lesotho’s Poverty Reduction Strategy advocates for building capacity in environmental education to break this link. In particular, the strategy calls for the augmentation of public awareness campaigns, the inclusion of environmental issues in school curricula, and the intensification of the awareness of the importance of integrating environmental impact assessments into the country's planning process. In this respect, interventions in climate change, which is a major component of

environmental management, are bound to have a direct impact on poverty alleviation. The latter occupies the highest priority on Lesotho's development agenda.

**National Biodiversity Strategy and Action Plan (NBSAP):** In 2000, as a signatory to the Convention on Biological Diversity (CBD), Lesotho developed its National Biodiversity Strategy and Action Plan (NBSAP), titled 'National Strategy on Lesotho's Biodiversity: Conservation and Sustainable Use. The goals of the biodiversity strategy for Lesotho aligns with the proposed WaMCoP- GEF i) Goal 1 Conserve the Diversity of Landscapes, Ecosystems, Habitats, Populations, Species and Genes in Lesotho; Goal 2. Attain Sustainable Use of Lesotho's Biological Resources and Minimize Adverse Impacts. Goal 3. Attain a Fair and Equitable Sharing of Benefits Arising from the Use of Genetic Resources; Goal 4. Expand Lesotho's Capacity to Conserve and Manage Biodiversity; Goal 5. Create Conditions and Incentives for Biodiversity Conservation and Sustainable Use Goal 6. Manage Biodiversity through International Linkages. A series of National Reports to CBD have been published, with the Sixth National Report to CBD (2018) being the most recent. The NSDP Fundamental issues include conserving biodiversity and exploring environmentally friendly production methods.

**Vision 2020:** Lesotho's Vision 2020 embodies the country's development aspirations up to the year 2020, advocates for the strengthening of institutions that are responsible for natural resources and environmental management, environmental advocacy, and awareness campaigns as the main challenge for the implementation of global agreements for sustainable development. As part of the implementation strategy for Vision 2020 (and succeeding the Poverty Reduction Strategy Paper (PRSP) and the Interim National Development Framework (INDF)), Lesotho developed the National Strategic Development Plan (NSDP) of 2012/13 – 2016/17.

**2030 Agenda for Sustainable Development:** Lesotho is deeply committed to putting the 2030 Agenda for Sustainable Development into action. This commitment is put into action through the National Strategic Development Plan II (NSDP II), which runs from 2018/19 to 2022/23. The NSDP II is also in line with the African Union Agenda 2063 and the South African Development Community Regional Indicative Strategic Development Plan. The SDGs reflect Basotho's aspirations for a stable democracy, a united and prosperous nation at peace with itself and its neighbors, and a healthy and educated human resource base. The 2030 Agenda embodies the country's development aspirations up to the year 2020, advocates for the strengthening of institutions responsible for natural resource and environmental management, environmental advocacy, and awareness campaigns, and identifies the main challenge for the implementation of global agreements for sustainable development as environmental advocacy and awareness campaigns.

**UNDAF 2019-2023:** The UN Development Assistance Framework (UNDAF) was created and finalized in 2018 for a five-year period. The UNDAF 2019-2023 outlines the strategic direction and expected outcomes of the GoL and UN Country Team collaboration (UNCT). This strategic planning instrument represents the UN System's collective response to the GoL's national development initiatives as outlined in the NSDP II, as well as the Sustainable Development Goals (SDGs), African Union Agenda 2063, and other strategies and international instruments. The project will align with and contribute to the three strategic areas specified in the UNDAF, specifically (SO2) sustainable human capital development and (SO3) sustainable and inclusive economic growth for poverty reduction.

The project directly addresses the NSDP II's 4th and 5th strategic goals by improving national resilience to climate change by conducting vulnerability assessments and strengthening capacity for disaster risk and sustainable land management.

## **Government of Lesotho key policies**

The project is also in line with key policies in Lesotho, chiefly including: National Environment Policy (1998), National Climate Change Policy (2017); National Forestry Policy (1997); National Range Resources Management Policy (2015); Lesotho Water and Sanitation Policy (2007); National Decentralization Policy (2014); Soil and Water Conservation Policy (2014) or Food security policies and strategies.

Equally important to mention in the project context are the Orange-Senqu River Basin/ORASECOM Transboundary Diagnostic Analysis (TDA) (2013); the Lesotho IWRM Plan (2014) and the Regional Strategic Action Program (2014). It is expected that this project will generate valuable lessons, methodologies, and approaches to strengthen these policies so as to promote resilience throughout sectoral and national planning and will therefore engage with its proponents.

#### Kunming-Montreal Global Biodiversity Framework.

The Kunming-Montreal Global Biodiversity Framework builds on the Strategic Plan for Biodiversity 2011-2020. It sets out an inspiring plan to implement broad-based action to bring a transformation in society's relationship with biodiversity and to ensure that, by 2050, the shared vision of living in harmony with nature is fulfilled.

The purpose of the framework is to enable urgent and transformative action by Governments and all of society, including indigenous peoples and local communities, civil society, and businesses, to achieve the outcomes it sets out in its vision, mission, goals and targets, and thereby to contribute to the objectives of the Convention on Biological Diversity, its Protocols, and other biodiversity related multilateral agreements, processes and instruments.

WaMCoP-GEF will contribute to the goals of framework related to 2050 vision for Biodiversity as follows:

- Goal A; "The integrity of all ecosystems is enhanced, with an increase of at least 15 % in the area, connectivity and integrity of natural ecosystems, supporting healthy and resilient populations of all species, the rate of extinctions has been reduced at least tenfold, and the risk of species extinctions across all taxonomic and functional groups, is halved, and genetic diversity of wild and domesticated species is safeguarded, with at least 90 % of genetic diversity within all species maintained".
- Goal B: Nature's contributions to people are valued, maintained or enhanced through conservation and sustainable use supporting the global development agenda for the benefit of all;
- Goal C: The benefits from the utilization of genetic resources are shared fairly and equitably, with a substantial increase in both monetary and non-monetary benefits shared, including for the conservation and sustainable use of biodiversity
- Goal D: The gap between available financial and other means of implementation, and those necessary to achieve the 2050 Vision, is closed.
- The project will specifically link to the following Kunming-Montreal Global Biodiversity Framework targets

Target 13 and 15 – Supporting businesses monitor, assess, and disclose their risks, dependencies and impacts on biodiversity along their supply and value chains

- *(Farmers relying on ecosystem services need to adapt practices to the ecosystem, to ensure they are not damaging it, depleting its resources, and compromising their activities. knowledge management and knowledge sharing systems of the project should communicate this information)*
- *Criteria to be included in the certificate for protecting and sustainably using biodiversity across the project*
- *ABC mapping tool to assess the impact of the different activities on carbon stock, natural capital, etc. during project implementation Building technical capacities + project activities monitoring + Baseline Survey + mid-term and final project evaluation*

Target 19 – leveraging private finance;

- *(Stimulating innovative schemes such as payment for ecosystem services)*

Target 16 - people are encouraged and enabled to make sustainable consumption choices

- 
- *The project to engage with private sector retailers, traders in this space, through existing sustainable/ethical fashion initiatives*

Target 21- Ensure that the best available data, information, and knowledge, are accessible to decision makers, practitioners and the public, participatory management of biodiversity, and to strengthen communication, awareness-raising, education,

- - *Knowledge dissemination / farmers' Knowledge to be raised on animal health and welfare plan; land management, soil health and biodiversity plan and compliance plan at shearing-shed level to meet the requirements of the sustainable production standards*
- 
- *Engage the local leaders in provincial or district policies formulation on sustainable use of natural resources/ animal health and nutrition, etc.*
- *Inform Lesotho BD monitoring system for biodiversity (support CBD GBF).*

- *Support training and extension system to young veterinarians at the university + community livestock extension workers.*
- *Dissemination of information/skills, education, and behaviour change communication campaigns FFS, social media platform (Facebook, Twitter, etc.) + rural radio + video clips + newspaper publications; +documentation of IP / local practice & innovations emerging from FFS & other*
- *Support youth people and women capacity building and training on business skills and marketing.*
- *Support **digitalised database** of national sustainable animal production/agropastoral system and on-farm demonstrations of above practices.*

Target 22 – Youth participation in decision making related to biodiversity

- *Stronger incorporation of the role of youth especially the nexus between youth and biodiversity, and the opportunities for youth to be involved in biodiversity and digitisation activities.*

### **Target 23. Implementation follows a gender-responsive approach**

WaMCoP GEF will ensure gender equality in the implementation of the Framework through a gender-responsive approach, where all women and girls have equal opportunity and capacity to contribute to the three objectives of the Convention, including by recognizing their equal rights and access to land and natural resources and their full, equitable, meaningful and informed participation and leadership at all levels of action, engagement, policy and decision-making related to biodiversity interventions.

Gender responsive approaches will be incorporated in project activities related to biodiversity interventions.

### **Synergies with IFAD policies and strategies**

WaMCoP-GEF will also align with IFAD Biodiversity strategy 2022-2025, Environment and Natural Resource Management Policy, IFAD Strategy and Action Plan on Environment and Climate Change 2019-2025. This biodiversity strategy promotes integrated approaches at landscape and farm level that mobilize biodiversity for the mitigation of, and adaptation, to climate change.

IFAD has been engaged in the wool and mohair industry since 2014 through the Wool and Mohair Promotion Project (WAMPP) and became a strategic partner to the industry and GoL. The phase 2 investment will consolidate the outcomes of WAMPP, upgrade the sector, promote greater commercialization, and contribute to greening of the VC.

Important linkages will be established with the IFAD supported Regeneration of Landscapes and Livelihoods (ROLL) project, as well as on-going operations of other development partners. Furthermore, gradual greening of the VC and accounting for carbon saving and biodiversity benefits, is something IFAD has supported in collaboration with other players.

IFAD's global knowledge is helpful in supporting the VC stakeholders in Lesotho to build and operate VC systems through the consortium. IFAD support to the Lesotho rangeland health dashboard through

WAMPP will be of global significance.<sup>[3]43</sup> These systems will steer the sector and sustain business beyond the project lifespan. Strong emphasis will be given to the market demands outside Lesotho, and requirements and trends are translated for the Basotho context. IFAD and the other parties co-financing the project bring the appropriate mix of experience, technology, and finance to allow the required transformation of the Wool and Mohair Sector in Lesotho. Through its mandate in South-South-Triangular Cooperation (SSTC), IFAD will support learning from the South African industry, as well as West African experiences in setting up governance enterprises led by VC-actors that are like the TF-TC consortium, and further support the livestock production and marketing work in a climate smart and carbon neutral manner. IFAD acts as an assembler of development finance, leveraging significant amounts from co-financing parties (OPEC Fund, GEF, Private Sector), and leaving a financing gap for future financiers. The finance is invested to equally promote the value chain's competitiveness as well as reduce poverty.

IFAD will support policy and regulatory work, and assist the Government and stakeholders to translate national level priorities as outlined in NSDP II and the newly approved Comprehensive Agricultural Policy for the wool and mohair sub-sector.

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<file:///C:/Users/m.david/Documents/GEF%20ESA/GEF8/Lesotho%20gef8/6%20-%20April%2023%20submission/GEF8-Lesotho-WaMCoP-%2012%20-04-2023%20Clean-md.docx - ftnref1><sup>[1]</sup> At this early stage of project proposal development, GEB indicators can be only approximate. Project preparation activities are particularly geared toward substantiating these indicators in close collaboration with the envisaged stakeholders. They will therefore evolve alongside the proposal in the project preparation phase.

<file:///C:/Users/m.david/Documents/GEF%20ESA/GEF8/Lesotho%20gef8/6%20-%20April%2023%20submission/GEF8-Lesotho-WaMCoP-%2012%20-04-2023%20Clean-md.docx - ftnref2><sup>[2]</sup> Lesotho's National Adaptation Programme of Action (NAPA) on Climate Change Under the United Nations Framework Convention on Climate Change. Ministry Of Natural Resources Lesotho Meteorological Services

[\[3\] Lesotho Rangeland Health Dashboard - Default \(icraf.org\)](#)

## D. POLICY REQUIREMENTS

### **Gender Equality and Women's Empowerment:**

We confirm that gender dimensions relevant to the project have been addressed as per GEF Policy and are clearly articulated in the Project Description (Section B).

Yes

### **Stakeholder Engagement**

We confirm that key stakeholders were consulted during PIF development as required per GEF policy, their relevant roles to project outcomes and plan to develop a Stakeholder Engagement Plan before CEO endorsement has been clearly articulated in the Project Description (Section B).

Yes



**Were the following stakeholders consulted during project identification phase:**

Indigenous Peoples and Local Communities: Yes

Civil Society Organizations: Yes

Private Sector: Yes

**Provide a brief summary and list of names and dates of consultations**

1. There were three country visits and consultation periods for the WaMCoP-GEF:

- **Conceptualisation phase: 1 – 11 March 2022** – bulk of the consultations took place in the field oftentimes at the selected houses of respective local representatives. Key outcomes from this consultation related to the following – the issues around the unsustainable stocking ratio; the need to devise alternative pathways to support rural communities; the need to ensure that equitable services are received by all affected stakeholders; the necessity to support HIV affected households.
- **Design phase: 1-23 June 2022** – The major consultation with affected stakeholders once again took place across several different venues, including shearing sheds which often housed a number of community members. Key outcomes related to these consultations are centred on the following: ensuring the project is youth sensitive, developing the fibre-processing sub-sector for greater inclusion of women; exploring a low-carbon pathway for the livestock industry (this cleared the pathway for GEF resources to be sought after)
- **GEF Scoping phase: 1 August – 15 August 2022** – once again the preferred modality to meet with stakeholders was to visit them directly at their place of work/residence. Key outcomes from this mission related to the following: to develop a targeted intervention for the wool and mohair sector that ensures it responds to climate change and biodiversity related considerations; developing natural capital accounting processes for the wool and mohair sector that can further drive biodiversity monitoring; using the project as an entry point to address soil erosion and water retention issues.

**List of people met during WaMCoP Concept Note and Design**

Name	Designation	Organisation
Advocate Mole Khumalo	Principal Secretary	Ministry of Agriculture and Food Security
Mabolaoana Phakisi	Director	Department of Planning and Policy Analysis
Keneuoe Lehloenya	Director	Department of Livestock Services
Lekhoee Makhate	Director	Department of Marketing
Rets'elisitsoe Khoalenyane	Project Director	Wool and Mohair Promotion Project
Elizabeth Bokaako	Planning and statistics officer	Department of Planning and Policy Analysis
Leeto Semete	Senior Economic Planner	Ministry of Agriculture and Food Security
Mojalefa Rasephei	Managing Director	Mazenod Rural Tannery



Mookho Ntiea	District Agricultural Officer (a.i) – Mafeteng	Ministry of Agriculture and Food Security
Semethe Raleche	General Manager (a.i) – Development Finance	Lesotho National Development Corporation
Mokuinii Thinyane	Chairperson	Lesotho National Wool and Mohair Growers Association
Mamaria Mohale	General Manager	Lesotho National Wool and Mohair Growers Association
Rets'elisoetsoe Mafeto	Chairperson	Mathebe Wool shed (Local community member)
Mahlomho Mojakhomo	Head of Business Banking	Standard Lesotho Bank
Lineo Mabope	Relationship Manager	Standard Lesotho Bank
Molefi Leqhae	Managing Director	Lesotho PostBank
Thabiso Sekoai	Agricultural Finance Specialist	Lesotho PostBank
Mabakoena Thamae	Credit Risk Officer	Lesotho PostBank
Thelingoane	Ram Breeder	Mokhethoaneng
Mojapela Molete	Managing Director	Electrocom Services (Pty) Ltd
Mpho Sekonyela	Greenland -Ram Breeder	Ha Moruthane (Local community member)
Sekoala Molapo	Business Development Expert	LMDA
Sehlabaka Sehlabane	Lucerne Producer	Mohale's Hoek (Local community member)
Samson Samson	Chairperson	Phamong Wool and Mohair Growers Association (Local community member)
Ngaka Maribe	Chairperson	Maphutseng Wool and Mohair Growers Association (Local community member)
Mathuhloane Mapanya	Member	Savings and Credit Union – Maphutseng (Local community member)
Matsoanelo Sentle	HIV affected	Maphutseng (Local community member)
Ramakalima Monethi	Broker and Wool shed Trader	Top Thrive
Ehsan Rizvi	Head of Agriculture Programme	Catholic Relief Services
Tsidiso Kotelo	Technical Advisor – Livelihoods	Catholic Relief Services
Moferefere Makutlu	Livelihoods and Resilience Manager	World Vision
Tsheliso Ncheke	Grants and Acquisition Manager	World Vision
Deon Saayman	General Manager	Cape Wools South Africa
Isak Staats	General Manager	BKB
Anna Heaton	Fiber and Materials Strategy Lead	Textile Exchange
Mr. Jacques Le Roux		OVK
	General Manager - Fibres	
Mr. Paul Andrew	General Manager	Standard Wool South Africa
Mr. Andrew James	Director	Modiano South Africa
Mr. Anthony Kirsten	Chief Executive Officer	Stucken
Mr. Michael Brosnahan	Chief Executive Officer	Samil Natural Fibres
Mr. Wian Heath	Managing Director	Wool Testing Bureau South Africa
Ms. Bronywn Botha	Environmental Specialist	BKB
MS. Lindsey Humphrey	Sustainability Manager	BKB Pinnacle
Mr. Dries Pienaar	Director	White Wools Dohne Merino



The Ministry of Defence, National Security, and Environment (MDNSE) and other related government agencies such as the Ministry of Agriculture, Food Security, and Nutrition, Lesotho Meteorological Services, and the Lesotho National Wool and Mohair Growers Association have been extensively consulted. Local communities and civil society organizations were consulted during the baseline project's design. The Project Preparation Grant will be used to conduct extensive stakeholder consultations through focus groups and surveys, and will employ monitoring mechanisms such as satisfaction surveys, grievance redress mechanisms (GRM), and multi-stakeholder forums, as well as deploy tools for remote consultations and, where appropriate, organize socially-distanced gatherings in accordance with local regulations. A list of those encountered is provided.

(Please upload to the portal documents tab any stakeholder engagement plan or assessments that have been done during the PIF development phase.)

### Private Sector

Will there be private sector engagement in the project?

Yes

And if so, has its role been described and justified in the section B project description?

Yes

### Environmental and Social Safeguard (ESS) Risks

We confirm that we have provided indicative information regarding Environmental and Social risks associated with the proposed project or program and any measures to address such risks and impacts (this information should be presented in Annex D).

Yes

### Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
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Medium/Moderate

## E. OTHER REQUIREMENTS

### Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described in the Project Description (Section B)

Yes

## ANNEX A: FINANCING TABLES

### GEF Financing Table

#### Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	GEF Project Grant(\$)	Agency Fee(\$)	Total GEF Financing (\$)
IFAD	GET	Lesotho	Biodiversity	BD STAR Allocation: BD-1	Grant	1,688,104.00	160,370.00	1,848,474.00
IFAD	GET	Lesotho	Climate Change	CC STAR Allocation: CCM- 1-4	Grant	1,607,718.00	152,733.00	1,760,451.00
IFAD	GET	Lesotho	Land Degradation	LD STAR Allocation: LD-1	Grant	2,033,630.00	193,195.00	2,226,825.00
<b>Total GEF Resources (\$)</b>						<b>5,329,452.00</b>	<b>506,298.00</b>	<b>5,835,750.00</b>

### Project Preparation Grant (PPG)

Is Project Preparation Grant requested?

true

PPG Amount (\$)

150000

PPG Agency Fee (\$)

14250

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non- Grant	PPG(\$)	Agency Fee(\$)	Total PPG Funding(\$)
IFAD	GET	Lesotho	Biodiversity	BD STAR Allocation: BD-1	Grant	47,512.00	4,514.00	52,026.00
IFAD	GET	Lesotho	Climate Change	CC STAR Allocation: CCM-1-4	Grant	45,250.00	4,299.00	49,549.00

IFAD	GET	Lesotho	Land Degradation	LD STAR Allocation: LD-1	Grant	57,238.00	5,437.00	62,675.00
<b>Total PPG Amount (\$)</b>						<b>150,000.00</b>	<b>14,250.00</b>	<b>164,250.00</b>

Please provide justification

### Sources of Funds for Country Star Allocation

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total(\$)
IFAD	GET	Lesotho	Biodiversity	BD STAR Allocation	1,900,500.00
IFAD	GET	Lesotho	Climate Change	CC STAR Allocation	1,810,000.00
IFAD	GET	Lesotho	Land Degradation	LD STAR Allocation	2,289,500.00
<b>Total GEF Resources</b>					<b>6,000,000.00</b>

### Indicative Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
BD-1-1	GET	1,688,104.00	36800000
CCM-1-4	GET	1,607,718.00	8644000
LD-1	GET	2,033,630.00	22000000
<b>Total Project Cost</b>		<b>5,329,452.00</b>	<b>67,444,000.00</b>

### Indicative Co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Recipient Country Government	Ministry of Agriculture and Food Security (MAFS)	In-kind	Recurrent expenditures	8061000
GEF Agency	International Fund for Agricultural Development	Loans	Investment mobilized	15250000
GEF Agency	IFAD- BRAM: Borrowed Resource Access Mechanism	Loans	Investment mobilized	5000000

Donor Agency	OPEC Fund for international development	Loans	Investment mobilized	2000000
Private Sector	Lesotho National Wool and Mohair Growers Association	Other	Investment mobilized	1000000
Private Sector	GS1 South Africa	In-kind	Investment mobilized	200000
Private Sector	Textile Exchange	In-kind	Investment mobilized	2000000
Private Sector	BKB	Other	Investment mobilized	2000000
Private Sector	To be specified during design from private sector individuals	Other	Investment mobilized	2181000
Donor Agency	International finance	Loans	Investment mobilized	11752000
<b>Total Co-financing</b>				<b>67,444,000.00</b>

Describe how any "Investment Mobilized" was identified

The investment mobilised from IFAD comes from the baseline investment WaMCoP, which will be co-financed by the OPEC.

Considering that the wool and mohair value chain competitiveness project (WaMCoP) is a value chain project with considerable private sector interest, the project has mobilised the input of private sector in project financing. The first considerable interest to express and commit to co-financing is GS1 South Africa, GS1 South Africa will assist in creating the underlying digital infrastructure by proving barcodes to the produce (bales) of farmers. This will allow for the project to deliver against the objective of having a digital ecosystem as part of the project. GS1 are contributing an estimated USD 200 000 in in-kind contribution to the project.

The Textile Exchange has also been integrated into the project and subject to a memorandum of understanding, have expressed their interest in developing an impact programme in the wool and mohair value chain that would see luxury brands finance regenerative agricultural practices. This support has been estimated at USD 2 000 000.

BKB, the largest brokerage firm in Lesotho, handling wool and mohair has also expressed interest in co-financing the project. The support and specifics of the arrangement will be captured in a memorandum of understanding (MoU) and the firm has expressed, that it is prepared to co-finance interventions to the scope of USD 2 000 000. This includes providing seed capital to the Trust Fund and supporting the roll-out of digitalisation and certification efforts.

The Lesotho National Wool and Mohair Growers Association is also a strong candidate for a cash contribution to the project, in the scope of USD 1 000 000. This cash contribution will serve as seed financing into the Trust Fund-Trust Company set-up and development. The Association has been earmarked as a shareholder in the Trust Fund-Trust Company set up.

Additional will be mobilized from private sector individuals will be USD 2 181 000.

## ANNEX B: ENDORSEMENTS

### GEF Agency(ies) Certification

GEF Agency Type	Name	Date	Project Contact Person	Phone	Email
GEF Agency Coordinator	Juan Carlos Mendoza Casadiegos	4/12/2023	Director, Environment, Climate, Gender and Social Inclusion Division		juancarlos.mendoza@ifad.org
Project Coordinator	Janie Rioux	4/12/2023	Senior Climate Finance Specialist		j.rioux@ifad.org
Project Coordinator	Paxina Chileshe-Toe	4/12/2023	Regional Climate and Environment Specialist	+ 254 793484367	p.chileshe@ifad.org

### Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Name	Position	Ministry	Date (MM/DD/YYYY)
Ms. Qongqong Hoohlo	Director of Environment and GEF Operational Focal point	Ministry of Defence, National Security and Environment	4/13/2023

## ANNEX C: PROJECT LOCATION

Please provide geo-referenced information and map where the project interventions will take place

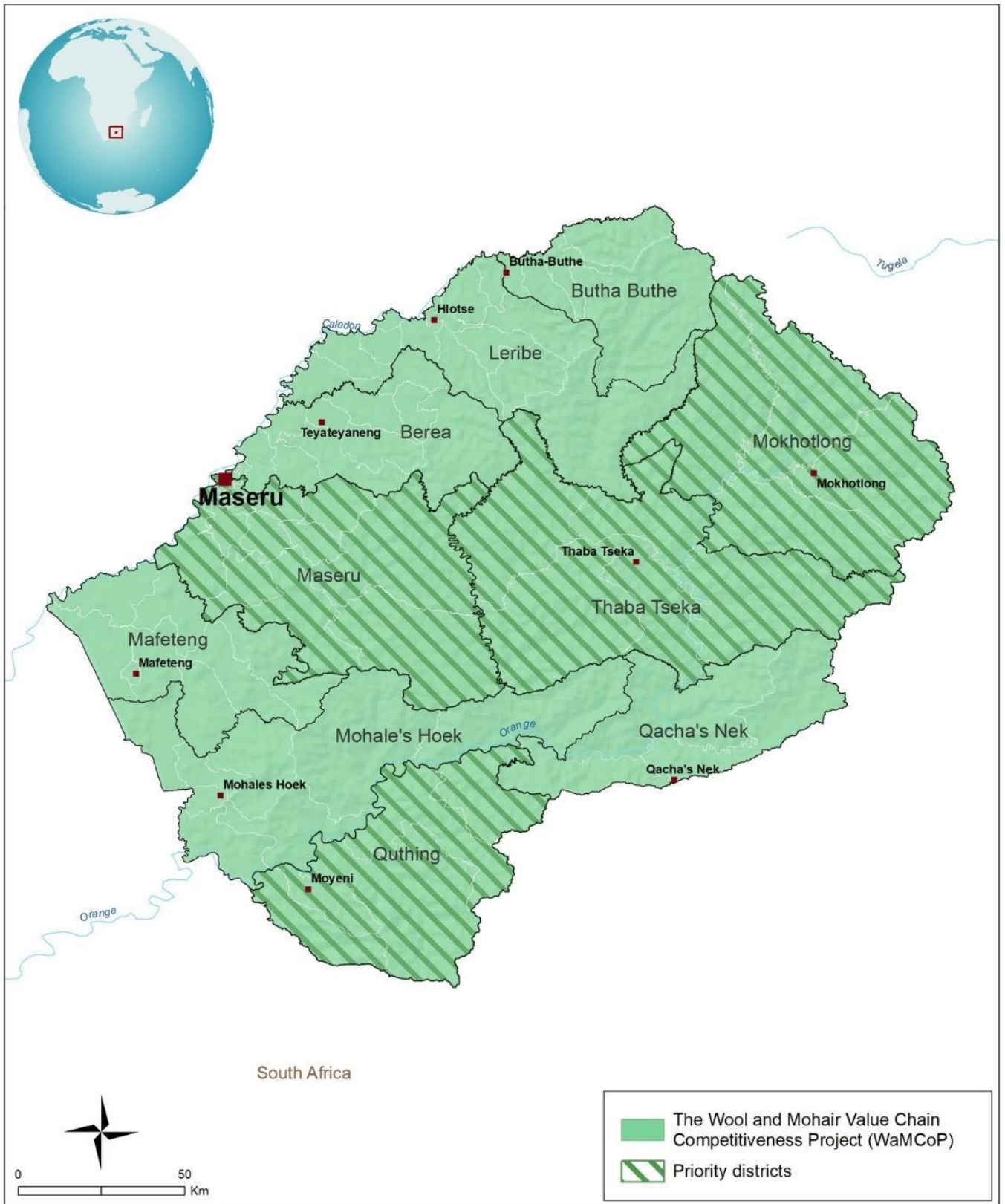
- The project target areas will include districts of Mokhotlong, Maseru Rural, Quthing and Thaba Tseka. The districts were selected because of high production of wool and mohair and high levels of poverty (>60% in Mokhotlong and Thaba Tseka and 50%-60% in Quthing).
- The specific areas within the districts will selected based on i) high climate vulnerability ii) high land degradation. iii) Biodiversity hot spots
- The specific geo-referenced for project sites will be provided at start-up.

	District location	
District	Longitude	Latitude
Mokhotlong	-29.287556	29.060539
Maseru	-29.3167	27.4833



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Quthing	-30.2456484	27.42288468
Thaba Tseka	-29.52204	28.6084



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 14-07-2022

## ANNEX D: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING

(PIF level) Attach agency safeguard screen form including rating of risk types and overall risk rating.

Title

Environmental\_and\_social\_worksheet - WaMCoP

## ANNEX E: RIO MARKERS

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
Significant Objective 1	Significant Objective 1	Significant Objective 1	Principal Objective 2

## ANNEX F: TAXONOMY WORKSHEET

Level 1	Level 2	Level 3	Level 4
Influencing Models	Strengthen institutional capacity and decision-making Convene multi-stakeholder alliances Demonstrate innovative approaches Deploy innovative financial instruments		
Stakeholders	<b>Private Sector</b>	Capital providers  Large Corporations; SMES ;  Individuals /Entrepreneurs;	
	Beneficiaries		
	Local Communities		
	Civil Society	Community based organizations, non-governmental organizations	
	Type of Engagement	Partnership  Participation	
	Communications	Awareness Raising  Education  Behaviour Change	
Capacity, Knowledge and Research	Enabling Activities		
	Capacity Development		
	Knowledge Generation and Exchange		
	Learning	Theory of Change; Adaptive Management; Indicators to Measure Change	
	Innovation		
	Knowledge and Learning	Knowledge Management	

		Innovation Capacity Development	
	Stakeholder Engagement Plan		
Gender Equality	Gender Mainstreaming	Beneficiaries; Women's Groups; Sex disaggregated indicators; Gender sensitive indicators	
	Gender Results Areas	Access and Control over natural resources Access to Benefits and Services Capacity Development Awareness Raising	
Focal Area/Theme	Biodiversity	Mainstreaming	Agriculture & Agrobiodiversity
	Forest	Forest and Landscape Restoration	Drylands
	Land Degradation	Sustainable Land Management;	Restoration and Rehabilitation of Degraded Lands; Ecosystem Approach; Integrated and Cross-sectoral Approach; Community-based NRM; Sustainable Livelihoods; Income Generating Activities; Sustainable Agriculture; Sustainable Pasture Management; Improved Soil and Water Management Techniques; Sustainable Fire Management
		Land Degradation Neutrality;	Land Productivity; Land Cover and Land cover change; Carbon stocks above or below ground;
		Food Security	
	Climate Change	Climate Change Adaptation	Climate Resilience
		Climate Change Mitigation	Agriculture, Forestry and other land use
Rio Markers	Climate adaptation 2 Climate mitigation 2		

