

Project Document

United Nations Development Programme

Country: Lesotho

**UNDAF
Outcome(s):**

National Institutions have capacity to develop and adopt sustainable pro-poor economic development, environmental management and household food security policies and strategies with special focus on vulnerable groups including women, young men and the disabled

**Expected Country
Programme
Outcome(s):**

3.3) National institutions have capacity to plan utilize and manage natural resource including human settlements in a sustainable manner

**Expected Country
Programme
Output(s):**

3.1) National institutions able to promote and foster sustainable, pro-poor economic growth

3.3.1) Local authorities and private sector institutions have the capacity to promote viable housing markets and innovative public private partners (PPP) for sustainable urban infrastructure services for all.

3.1.2) Local institutions have capacity to facilitate creation of decent employment opportunities for both young men and women, and orphaned and vulnerable youth

Executing Entity:

UNDP

**Implementing
Agency:**

Maseru City Council

Other partners:

Lesotho Chamber of Commerce, UN Habitat and UNEP



Brief Description

The proposed project will support the development of financially sustainable and innovative public private partnerships (PPPs) for basic service delivery, in particular the delivery of solid waste management services (including waste collection, street sweeping, waste picking and recycling services), within urban and peri-urban areas in the city of Maseru, Lesotho.

The project's aims will be two-fold. On the one hand it will strive to improve the enabling environment for the establishment of financially sustainable basic service delivery PPPs by facilitating the development, adoption and implementation of permissive pro-poor policies and regulations, and by further enhancing institutional capacity to contract, manage and monitor PPP service delivery arrangements.

Besides support to the policy environment, capacity will be enhanced through the establishment of PPPs on solid waste management. As such, the project will strive to protect human and environment health from the unsound management of solid waste, by contributing to a clean urban living environment through the provision of ward specific solid waste management and collection schemes for 'real' waste, recyclables and possibly biodegradable waste. This will lead to the avoidance of illegal dumping, inappropriate disposal and home waste burning contributing to water, soil and air pollution as well as posing serious health risks especially among poorer communities.

The project also aims to enhance capacity among basic service providers, in particular women-led businesses and women entrepreneurs, to create meaningful long-term employment opportunities for poor communities, resulting in the creation of self-employment, micro enterprises, SMEs and the expansion of existing SMEs in the area of solid waste/resource collection, transport, recycling and disposal.

In summary, the following are the main outputs for the project:

- ✓ Enabling policy environment for the establishment of financially sustainable PPPs
- ✓ Sufficient institutional capacity created to adequately establish, manage and monitor PPPs
- ✓ Sustainable finance mechanisms (application of polluter pays principles) put in place
- ✓ Improved waste collection public services (quality and coverage) for four different types of wards
- ✓ Increased waste separation in four wards and increased employment opportunities for the poor
- ✓ Increased employment opportunities for women in public service delivery and in particular in the area of solid waste collection.

Total resources required	300,000.00
Total allocated resources:	260,000.00
• UNDP/TRAC	75,000.00
• Other:	
o Donor/TTF	150,000.00
o Donor/GTTF	35,000.00
o UNV	-----
Unfunded budget::	40,000.00
In-kind Contribution (UN-Habitat):	51,500.00
In-kind Contributions (MCC):	100,000.00

Key Result Area (Strategic Plan):

Project Title: **Innovative Partnerships for Solid Waste management in Lesotho**

Atlas Award ID: _____

Start date: October 2009
End Date: September, 2011
Duration: 24 Months
PAC Meeting Date: October, 2009

Agreed by (Ministry of Finance and Development Planning): *[Signature]*

Date: 22/10/09

Agreed by (Maseru City Council): *[Signature]*

Date: 09/11/09

Agreed by (UNDP): *[Signature]*

Date: 10/11/09

**MASERU CITY COUNCIL
OFFICE OF
THE TOWN CLERK**

2009 - 11 - 9

P.O. BOX MS 911
MASERU, LESOTHO

I. SITUATION ANALYSIS

The Kingdom of Lesotho covers an area of 30,500 square kilometres and as of 2006 had a population of about 1.88 million people¹. With a Gross Domestic Product (GDP) of 5,380.2 Maloti (US\$ 793 per capita) in 2006² (BoS 2008), the country is classified as one of 50 Least Developed Countries. In the Human Development Report for 2008, it was ranked 138th out of 177 countries on the Human Development Index scale for the reference year 2005. Poverty remains widespread in Lesotho, according to the 2002/2003 Household Budget Survey Report, 29.1% of households were considered "very poor" and 50.2% "poor".

The reduced availability of arable land, significantly lower employment opportunities within the South-African mining sectors, and an increase in employment opportunities within the urban based garment factories, have led to uncontrolled growth of cities in general and the Capital of Lesotho, Maseru, in specific. In 1996, the level of urbanization in Lesotho stood at 17 percent while in 2002 the level of urbanization was estimated to have reached 23.5 percent (CWIQ Survey 2002)³. Maseru, was estimated to have a population of 173,144 in 2002 (CWIQ Survey),³ representing 38% of the urban population in Lesotho. To date, frequent changes in the number of gazetted urban settlements, as well as changes in urban boundaries, impede an accurate assessment of the growth of urban settlements.

This rapid urbanization in combination with challenges resulting from governance and development administration decentralisation; significant poverty levels coupled with high levels of unemployment and high and growing HIV prevalence rates (29% in 2004) is resulting in severe pressure on shelter and basic services provision, including water, sanitation and solid waste management.

The mushrooming of unplanned settlements, an increase in vehicular and pedestrian congestion in the central business district, coupled with the proliferation of often unlicensed street vendors and increasing environmental hazards is posing additional challenges in finding workable, effective and sustainable solutions for networked urban services.

Secondary development constraints relate to the capacity of the Maseru City Council (MCC), the Ministry of Local Government and Chieftainship, (MLGC) and District Councils to manage urban development. Amongst the (historical) reasons cited for poor capacity on the part of MCC are the perpetuation of traditional authority in urban areas, the rapid growth of the city through urban-rural migration, the failure to develop a formal land market, capacity constraints to effective decentralisation coupled with insufficient political commitment, all of which have undermined the establishment of a stable local government setting⁴.

PUBLIC PRIVATE PARTNERSHIPS SITUATION ANALYSIS

The Government of Lesotho (GoL) has recognised and prioritized the harnessing of private sector capacities through partnerships as a necessary policy and operational response to meet the above mentioned challenges. To increase urban citizens' access to basic services, and therewith, to contribute to the creation of a healthy environment and the improvement of living conditions in the urban areas, the GoL in partnership with UNDP, launched a project "*Sustainable Partnerships for the Provision of Essential Services in Maseru*", as part as part of a larger UNDP supported programme "*Public, Private Partnerships for the Urban Environment (PPPUE)*".

¹ 2006 Census of Population and Housing conducted by the Lesotho Bureau of Statistics

² Per capita GDP at US\$ PPP (Purchasing Power Parity) is US\$ 3,335. PPP is defined as the rate of exchange that accounts for price differences across countries. PPP US\$1 in Lesotho has the same purchasing power in the domestic economy as US\$1 has in the United States

³ Bureau of Statistics and The World Bank (2003) Lesotho Core Welfare Indicators Questionnaire CWIQ Survey, 2002, Kingdom of Lesotho

⁴ Environmental Profile for Maseru City; Sustainable Cities Programme in Lesotho, UN-HABITAT, 2007.

The project launched in 2006 aimed to support the Government of Lesotho in:

- The creation of a favourable policy environment for provision of urban environment services through Private Public Partnerships (PPP)
- Building capacity of public and private sector institutions involved in the provision of basic services
- Creating employment and small business opportunities for the poor in the delivery of basic services

Key activities of the PPPUE project that were successfully carried out were, among others:

- Mapping and prioritization of needed basic services provided by the MCC (including the quality of such services)
- Review of existing policy and regulatory framework for private sector involvement in the provision of municipal services
- Development of policy guidelines and legislations for local level PPP ventures for the provision of urban environment/municipal services
- Assessment and review of the capacity of MCC in the delivery of basic services and contract compliance
- Stakeholder sensitization and mobilization of key civil society partners for community awareness campaigns
- Promotion of the PPP concept through public awareness campaigns
- Identification of private sector partners and their engagement in the provision of one municipal service (solid waste management - see section II)
- Training of key stakeholders, council's employees and the civil society pertaining to PPPUE best practices and approaches
- Mobilization of financial resources for the implementation of the pilot project on solid waste management

The PPPUE project included one PPP pilot activity focussing on solid waste management. The creation of an enabling environment for PPPs also led to the engagement of the private sector through the establishment of three PPPs providing public services pertaining to: the management of 2 city clinics. The PPP arrangement requires the health service provider to provide curative services, ante-natal and post-natal services, the monitoring of children under the age of five years, family planning services, a TB clinic and HIV and AIDS counselling and treatment. The PPP agreement goes further to specify the number of health professionals to be located at each clinic, as well as other essential services to be provided, including pharmacies. It also defines the service provider's reporting obligations and penalties to be incurred in the event of non-performance, as well as the MCC's obligations to oversight and monitoring and payments.

Currently, the MCC is using PPP arrangements with 3 local companies to manage some 277 street advertising signs of various kinds, which generated revenues of M550,000.00 for the MCC over the period 2008-2009. In the future, the MCC intends to use PPPs to manage cemeteries, parks and recreational facilities and maintain and manage municipal roads, street parking and street lighting amongst others.

LESOTHO BASED SOLID WASTE MANAGEMENT PPP ACTIVITIES

As part of the UNDP supported "*Sustainable Partnerships for the Provision of Essential Services in Maseru*" project, a solid waste collection and disposal pilot activity was launched through the establishment of a partnership between Maseru City Council (MCC) and a private contractor. The pilot activity concentrated on four key activities and aimed to manage solid waste management activities covering 70% of the Maseru City area through door-to-door municipal waste collection, street sweeping, litter picking and the removal of illegal dumps.

The overall project, as well as the solid waste management pilot activity, has been successful in many ways. Among the successes achieved through the project's implementation was the creation of a certain degree of capacity of the Maseru municipality in the development and management of PPPs, greater awareness among municipality staff and stakeholders on PPPs as

an alternative service delivery modality, greater awareness among Maseru residents on urban and environmental management imperatives, provision of solid waste removal services (including removal of illegal dumps) through the establishments of PPPs and as a result thereof local SME development and the creation of temporary employment opportunities and income opportunities for the poor (men and women).

However, the project and the pilot activity also encountered a number of challenges that currently are compromising the Maseru City Council's capacity to effectively and sustainably develop, finance, manage and monitor PPPs. The project's evaluation report pointed out that among these are the absence of an adequate and adopted policy and regulatory framework for the use of PPPs and insufficient human and managerial capacity and financial resources within the municipality to adequately manage PPPs.

The solid waste management pilot activity's success and sustainability in specific were compromised as, at the time of its launch, proper contractual agreements, monitoring systems and risk assessments were lacking, human capacity to manage the PPP pilot was insufficient and the pilot's financial sustainability was dependent upon the payment of service fees (which were thought to be set too high for a large number of households and in combination with an ineffective fee collection approach, as a consequence not paid). Considering the low yield of the waste fee collection system, continuation of the municipal solid waste collection and disposal scheme is expected to deteriorate or even halted as MCC is thought to be unable to cover the contractor's services rendered.

It is important to note that as result of high-impact PPP awareness campaigns and the success of the regular and timely collection of municipal waste through the pilot activity, high expectations exist among the Maseru citizenry for municipality service delivery and in specific for the continuation of solid waste collection and disposal services – currently there thus exists a favourable public and government attitude towards the creation and use of PPP in public service delivery which should be used to the advantage of follow-up activities.

The project's evaluation therefore recommends that:

With respect to the creation of an enabling environment for PPPs:

1. Efforts should be continued to build knowledge about and awareness of PPPs in key national ministries and in the MCC
2. An overarching policy and legislative framework should be established; and
3. Guidelines and regulations for PPPs for the MCC should be finalised and endorsed.

With respect to the further development of PPP capacity with government entities and stakeholders:

1. Additional capacity building pertaining to e.g. the development and contracting, risks evaluation and sustainable financing (review and application of polluter-pays finance mechanisms) of PPPs should be provided to MCC officials, including other departments of the Planning Department, as well as within the parent Ministry of Local Governance and Chieftainship (MLG&C);
2. Efforts for additional capacity building should also focus on building the important functions of monitoring and oversight (including enforcement) for involved stakeholders, including the MLG&C, a PPP Steering Committee (with specific role definitions), private sector partners, UN system partners, etc.

SOLID WASTE MANAGEMENT SITUATION ANALYSIS

According to the 2008 draft of the *Lesotho/Maseru Integrated Solid Waste Management Plan (ISWMP)*⁵, waste management has not kept pace with the growing population and industrialization of Maseru. Current waste management practices are unsustainable; resulting in damage to the city's natural resources (including its drinking water supply) and to the health of its residents, while potentially reusable and recyclable resources are being wasted.

As part of the development process of the *ISWMP*, a 2006 UNEP supported *Baseline Assessment for the Development of an Integrated Solid Waste Management System in Maseru City*⁶ estimated that annually 110,000 tonnes of waste were generated in Maseru, with the commercial sector (38%) and the residential sector (34%) representing the largest waste generation sources, with the remaining 40,000 tonnes generated by the industrial (19%), administrative (6%), educational (1%) and health care (< 1%) sector combined (see figure 1).

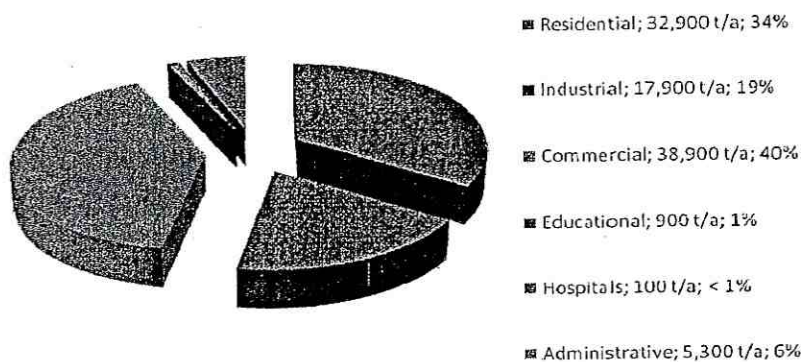


Figure 1: Waste Generation by Sector – Maseru 2006⁵

As part of the development of the draft 2008 *ISWMP*, a 'business-as-usual' scenario was considered. Based on the assumption that in the next decade Maseru would experience healthy economic growth, industrial development as well as urbanization would continue, transportation costs would increase and the emergence of a new type of African entrepreneur would lead to the development of more local enterprise opportunities, it is estimated that by 2020, the total amount of waste generated in Maseru would be almost double that of 2006 - 210,000 tonnes/annually.

The *ISWMP* states that the majority of waste is being managed in an unsustainable manner, with wild dumping, industrial dumping, formal dumping and home burning representing the main "waste management" activities⁴. Assuming that activities for Reduction, Reuse and Recycling (3 Rs) would not be properly introduced in the coming few years, it is projected that by 2020 the total amount of waste generated (210,000 t/a) would still be managed in an unsustainable manner, of which 80,000 t/a (75% of the total waste generated in Maseru today) would be dumped wildly.

With respect to the quantities of types of waste, it became apparent that the numbers generated during the development of the 2006 *Baseline Study* need some refining. Nevertheless, a rough indication on the composition of wastes can be obtained from figure 2. As depicted, paper and biodegradable wastes (kitchen leftovers and garden refuse) represent the highest shares of waste types, 24% and 22% respectively. Plastics represent 15% of the total generated waste (a breakdown by type of plastic - PE, PET, LD PE, PS, PVC, etc - would be helpful for the

⁵ *Integrated Solid Waste Management Plan – ISMP for the City of Maseru/Lesotho (Final draft)*, Government of Lesotho, United Nations Environment Programme (UNEP), University of Cape Town (UCT) and Enviro Tech Environmental Consultants

⁶ *Baseline Assessment for the Development of an Integrated Solid Waste Management System in Maseru City* - Government of Lesotho, United Nations Environment Programme (UNEP).

investigation of future treatment alternatives). Hazardous waste accounts for 12.5 %, indicating the importance of this type of waste in Maseru which is currently not properly handled. Glass and other wastes account for only 9% and 10.5 % respectively.

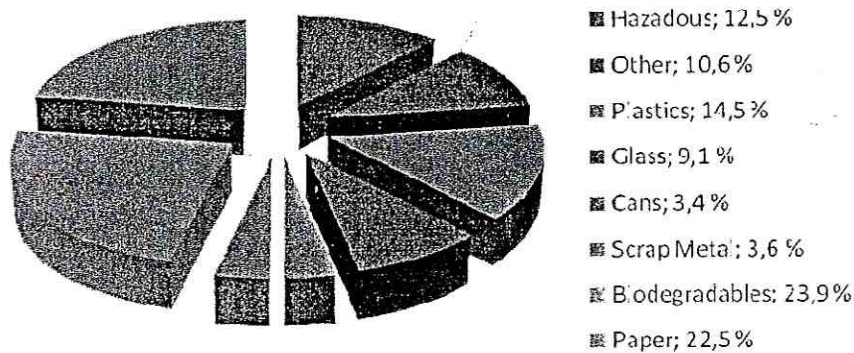


Figure 2: Generated Waste quantities by Type – Maseru 2006⁶

As can be seen from figure 3, the amount of waste recovered by a number of Lesotho based recycling companies, is approximately 9,700 t/a (9 % of total waste). However it should be noted that the actual recovery amount might be significantly higher, as South African recycling companies enter the country “illegally”, illegally referring to tax evasion and unlicensed business activities, for collection of valuable waste.

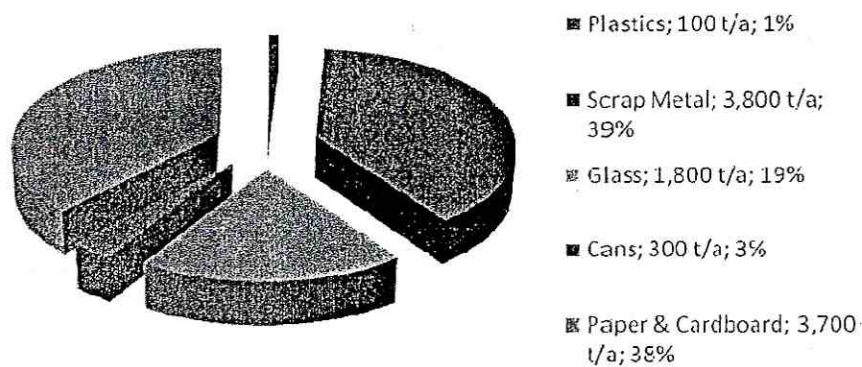


Figure 3: Waste Recovery by Type – Maseru 2006⁶

The 2006 *Baseline Study* concludes that the most important waste minimization efforts should be targeted towards the residential and industrial sector and that by introducing proper waste management practices with the next few years, wild dumping and home burning could be completely eradicated, 100,000 t/a of non-hazardous waste could be either reused, composted or fed to animals, recycled or used as a substitute fuel in industrial combustion processes, while industrial waste would be transported to appropriate treatment facilities in South-Africa.

On the basis of past experiences, independent observations, interrogation of available information and interaction with relevant stakeholders, the draft Maseru/Lesotho ISWMP proposes a framework made up of the following four fundamental pillars, supported by an educational platform, to address the solid waste management challenges currently faced by the City of Maseru:

- **Pillar 1:** Capacity to prevent wasteful resource use at source
- **Pillar 2:** Strong diversified and appropriate collection systems
- **Pillar 3:** A healthy recycling industry
- **Pillar 4:** An environmentally safe disposal site for real waste

The ISWMP proposes a comprehensive framework, which identifies 20 waste management actions with clear lines of responsibilities and proposes pilot activities as a key part of the implementation of the ISWMP of Maseru. It has to be noted that, though some of the activities are linking up to the entire ISWMP, it will not be feasible for this project to cover all 20 waste management actions proposed in the ISWMP. However, the implementation design will be done in such a way that, different types of PPPs will be established in different four Ward Zones depending on their characteristics and built-up nature. It is assumed that four ward types would provide a wide spectrum of circumstances for Maseru City Council to establish ward specific waste collection and fee structures for each of the wards which could in turn form a basis for replication in the other remaining Wards within the City boundaries.

GENDER EQUALITY AND WOMEN EMPOWERMENT FOR BASIC LOCAL SERVICE DELIVERY

United Nations led sensitization and orientation workshops on gender equality and capacity development for PPP local service delivery targeted towards United Nations Country Teams (UNCTs), governments and NGO's, revealed that:

- There exists a *huge potential for women to shift from users to also become providers of local basic services.*
- The interface between Local Authorities and community stakeholders for *dialogue, consultation, awareness creation and consensus building on issues such as gender equality and women empowerment for pro poor service delivery is weakened by institutional capacity gaps.*
- There are important *capacity constraints on the part of women service providers* impeding them to engage with government at the local level.

In general, the most important capacity challenges encountered by the Government (national as well as local) in improving local service delivery, in particular with respect to the involvement of women, seem to pertain to the following:

- Capacity to assess and analyze the basic delivery industry and identify services for women formal participation.
- Capacity to reform policies and regulations to support planning, design, implementation and monitoring of partnership arrangements for women-led providers and other Non State Providers of local services.
- Capacity to create and facilitate local platforms for dialogue among stakeholders on local governance, local development issues and give voice to the poor in decision making.
- Capacity to integrate pro-poor issues, risks, affordability, service levels and standards in the formulation of PPP service delivery arrangements.
- Capacity to establish institutions and mechanisms to manage the emerging role of local governments as enablers and regulators for delivery of public services by other actors.
- Capacity to create flexible procurement and contracting procedures to suit the needs of informal service providers (mostly women and youth) and to foster opportunities for local job creation.

The main capacity challenges of *Local Private Actors* in improving local service delivery, in particular with respect to the involvement of women, pertain to the following:

- Capacity of traditional financial institutions to develop innovative financing packages for small scale providers of local infrastructure basic services.
- Capacity to mobilize domestic resources and recover operational cost of basic service provision.
- Capacity of informal service providers to engage with the state/local government and influence policies and regulations to create opportunities for inclusive delivery of public basic services.

II. OBJECTIVES AND PROPOSED ACTIVITIES

Based upon the above cited situation analysis, the project is designed to support the development of sustainable innovative public-private-community partnerships related to the delivery of solid waste management public services, including waste recycling and valorisation of biodegradable waste, within urban and peri-urban areas in Lesotho and in specific in the city of Maseru.

The project's aims will be two-fold. On the one hand it will strive to improve the enabling environment for the establishment of financially sustainable basic service delivery PPPs by facilitating the development, adoption and implementation of permissive pro-poor policies and regulations, and by further enhancing institutional capacity to contract, manage and monitor PPP service delivery arrangements.

On the other hand the project will strive to protect human and environment health from the unsound management of solid waste, by contributing to a clean urban living environment through the provision of ward specific solid waste management and collection schemes for 'real' waste, recyclables and possibly biodegradable waste. This will lead to the avoidance of illegal dumping, inappropriate disposal and home waste burning contributing to water, soil and air pollution as well as posing serious health risks especially among poorer communities.

In doing so, the project also aims to enhance capacity among basic service providers, in particular women-led businesses and women entrepreneurs, to create meaningful long-term employment opportunities for poor communities, resulting in the creation of self-employment, micro enterprises, SMEs and the expansion of existing SMEs in the area of solid waste/resource collection, transport, recycling and disposal. Wards within Maseru are very different with respect to income structure, road access and waste management infrastructure; as such a one-size-fits-all model would not be appropriate. The project proposes to select four wards with different income levels; household density and road/waste management infrastructure and support MCC in the design of specific waste/recyclable collection systems and the establishment of appropriate PPPs to operate the collection systems.

The proposed project will build upon the important foundation created by the UNDP funded and implemented PPP pilot activity on solid waste management undertaken as part of the *Sustainable Partnerships for the Provision of Essential Services in Maseru* and benefit from its lessons-learnt, successes and well as encountered challenges.

However it is very important to point out that the proposed project will be developed and implemented in accordance with the priorities, principles, framework and activities as put forward by the 2008 developed *Integrated Solid Waste Management Plan for the City of Maseru/Lesotho*.

The *ISWMP* includes specific actions, responsibilities and opportunities for PPPs to work towards a joint effort in the achievement of a sound solid waste management system for the city of Maseru and the proposed project will directly take on and contribute to proposed actions as included in the *ISWMP*, as such it will become an integral part of the implementation of the *ISWMP*.

Objectives and activities of the proposed project are as follows:

Output 1: Enabling policy environment for the establishment of financially sustainable PPPs

- ✓ Undertake a capacity assessment of the assets and needs for individuals, institutions and service sectors with the objective to analyze the feasibility of gender equality focused pro poor service delivery partnerships.

- ✓ Support GoL and MCC in the development, adoption and implementation of permissive policies, guidelines and regulations (including affirmative actions) for gender equality focused pro poor PPP local service delivery arrangements.
- ✓ Develop and put in place an appropriate monitoring and oversight system to keep track of PPP performance.

Output 2: Sufficient institutional capacity created to adequately establish, manage and monitor PPPs

- ✓ Stakeholder sensitization and awareness building with respect to basic public services and PPPs, including MCC by-laws, regulations and laws governing issues on public service delivery as well as waste management services.
- ✓ Create capacity of MCC, MLG&C and other Planning Departments, through targeted training on establishing PPPs, including contracting (development of sound service delivery agreements), risks evaluations and sustainable financing.
- ✓ Support MCC in the formulation of PPP service delivery arrangements, which incorporate pro-poor issues, risks, affordability, service levels and standards.
- ✓ Support MLG&C in the establishment of flexible procurement and contracting procedures to suit the needs of informal service providers (mostly women and youth) and to foster opportunities for local job creation.
- ✓ Support MCC, Ministry of Tourism, Environment and Culture and Ministry of Trade and Industry, Cooperatives and Marketing in establishing clear terms and conditions for trade licensing in waste management.

Output 3: Sustainable finance mechanisms (application of polluter pays principles) put in place

- ✓ Undertake surveys in four wards to determine the willingness and capacity of waste generators to pay waste collection fees.
- ✓ Support MCC, MLG&C and other Planning Departments, in the development and adoption of financially sound waste collection fee tariff setting procedures.
- ✓ Assess the feasibility of a combined or single fee collection system, and subsequently support MCC in putting in place an effective fee collection scheme(s) and payment monitoring system(s) for four different types of wards.
- ✓ Create capacity of MCC, MLG&C and other Planning Departments, through targeted training, to enable them to track funding spent on waste collection, waste collection fees received and preparation of yearly waste collection budgets.
- ✓ Train local inspectorates on building awareness among waste generators on municipal regulatory frameworks and laws pertaining to waste disposal.
- ✓ Provide local inspectorates with the tools and monitoring systems in identifications of illegal dumping activities/sites and the application and collection of fines.
- ✓ Through the development of public awareness campaigns (covering all public awareness components as set out in the RRF), advocate polluter pays principles.

Output 4: Improved waste collection public services (quality and coverage) for four different types of wards

- ✓ Set-up functional and active Solid Waste Steering Committee (SWSC) constituting of representatives from MCC, key Ministries, private sector associations (industry, licensed local recycling companies, waste collection consortium, etc) and as well community representation.
- ✓ SWSC to select four different types of wards (based on Low/Medium/High income, Good/Poor accessibility, High/Low Population density, Residential/Commercial Area) with the objective of establishing appropriate waste collection systems
- ✓ SWSC and project management team to decided upon and design four specific waste collection systems (e.g. curb side truck waste collection, 'bring systems with commodity exchange, integration of informal collectors/waste pickers, decentralized waste collection

depots, etc.) for real waste, dry recyclables (paper, glass, tins and plastics) and biodegradables (wet waste).

- ✓ Establish and operationalize PPPs specific to the requirements of the four wards to be serviced.
- ✓ Work with the public service providers in mobilization/identifying financial resources for the provision of waste bins, skips and bags (if applicable) in accordance with the proposed ward specific waste collection systems.

Output 5: Increased waste separation in four wards and increased employment opportunities for the poor

- ✓ Support the local Recycling Industry in further developing the necessary capacity to work with Take-Back Levies for recyclables and biodegradables to promote pro-poor livelihood opportunities among waste pickers in four wards.
- ✓ In four wards, create community awareness and capacity on waste separation, recycling, real waste disposal and recycling and income generation from "At-Source Value Addition" or recycling activities.
- ✓ Document and disseminate lessons-learnt for application in similar types of wards in Maseru or elsewhere in Lesotho.

Output 6: Increased employment opportunities for women in public service delivery and in particular in the area of solid waste collection.

- ✓ Provide tailored training and follow-up mentoring to women-led providers of local services on service delivery partnership arrangements, to achieve women empowerment and leadership.
- ✓ Support small scale women-led providers/businesses in the development of business plans to attract funding/loans from finance institutions/UN supported micro-financing schemes.
- ✓ Facilitate the tendering process and brokering of service level partnership arrangements/agreements between MCC and women led groups/businesses.
- ✓ Document and disseminate lessons-learnt for application in similar types of wards in Maseru or elsewhere in Lesotho.

III. JUSTIFICATION FOR SOLID WASTE MANAGEMENT THROUGH PPPs

It is good management practice as part of project development to review the business case or justification for continued efforts to establish viable PPPs for Service Delivery in Lesotho. The business case for the proposed PPPs on Solid Waste Management has to be examined through from two perspectives:

- 1) Financial sustainability of a PPP for Waste Management Services– which was identified as a significant weakness of the PPP-UE project; and
- 2) Appropriateness of selecting a PPP for Waste Management Services over other PPP initiatives that could be considered

1) FINANCIAL SUSTAINABILITY OF WASTE MANAGEMENT SERVICES

As per the final draft of the UNEP/UCT developed *Financial Strategy*⁷, financial implications affiliated with the implementation of Solid Waste Collection schemes are from a traditional financing viewpoint threefold (see below).

⁷ UNEP/University of Cape Town – Final Draft - *Financial Strategy* - Integrated Solid Waste Management Plan – ISWMP for the City of Maseru/Lesotho part of the Maseru/Lesotho ISWMP

- **Initial and future capital investments**
 - o *Construction of collection points* (residual waste/recyclable waste)
 - o *Construction of sorting locations, collection trucks/vehicles* (open/compactor, mobile transfer stations)
 - o *Collection equipment* (bags, bins, skips, trolleys, carts, wheel barrows, etc.)
 - o *Development of educational/training materials*
- **Operating expenditures**
 - o Labour for collection of waste/recyclables and sorting of recyclables
 - o Transportation/fuel expenditures
 - o Administration costs and labour (MCC or PPP) for collection of waste charges and payment of PPPs
 - o Continuous training/education
- **Revenue or income generation**
 - o Sale of recyclables to local recycling companies (individuals, PPP)
 - o Sale of recyclables to recyclers in South Africa (local recycling companies)
 - o Residual waste fee collection (MCC, or possibly a PPP)
 - o Sale of value added products manufactured from recyclables in Maseru (individuals, local recycling companies)

It has to be kept in mind that the above sum-up of investments, expenditures and revenue generations go far beyond the scope of the proposed project. With the implementation of the full ISWMP multiple stakeholders (central government, local government, local recycling and waste collection companies, individual recyclers/service providers etc.) will have to be able to allocate/mobilize necessary funding for **capital investments** and **operating expenditures** when the costs of actual waste collection and processing schemes end up being higher than the waste fees collected.

The financial sustainability of the implementation of a solid waste collection component of the proposed project will rely on a combination of the following funding sources:

- i) **Waste collection fees** obtained from waste generating households, commercial entities and industrial enterprises
- ii) **Sale of recyclables** to local recyclers
- iii) **MCC's yearly budget** (when income generated from waste collection fees is insufficient to cover waste collection expenses, the City of Maseru will have to subsidize the collection of refuse – see also figure 2 – *Trend Analysis of the Waste Management Budget and Waste Collection Fee Income*)
- iv) **Funding for capital investments** provided by MCC, local recyclers, bi-lateral donor agencies, international development agencies or international NGOs.
- v) **Funding for awareness building, capacity building, training, etc.** provided by MCC, local recyclers, bi-lateral donor agencies, international development agencies or international NGOs.

Currently, waste services are financed by the National Government and waste collection fees. Based on figures provided by the MCC Department of Health and Environment, a trend analysis was prepared as part of the Weak Spot and Gap Analysis of the Baseline Assessment for the Development of an Integrated Solid Waste Management System in Maseru City 8 reflecting the yearly government budget for waste collection services in Maseru, as well as the income generated for the City from waste collection fees.

⁸ UNEP/University of Cape Town – Final Version – *Weak Spot and Gap Analysis of the Baseline Assessment for the Development of an Integrated Solid Waste Management System in Maseru City*

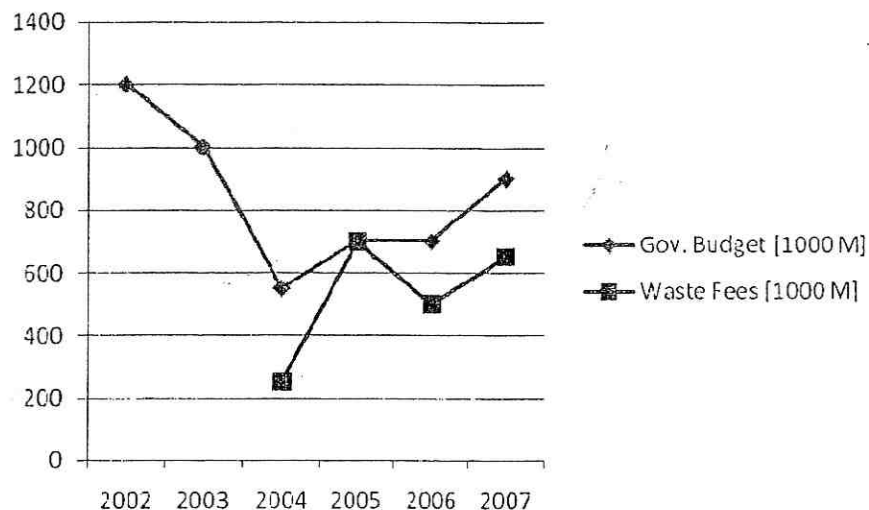


Figure 2 – Trend Analysis of the Waste Management Budget and Waste Collection Fee Income

As can be seen in Figure 2, the yearly budget for refuse collection varies between M1.2 million in 2002, and ca. M550,000 in 2004. A steady increase in the budget is noticeable between 2004 and 2007. On the other hand income generated from waste collection fees amount to ca. M300,000 in 2004, and peaks in 2005 with ca. M700,000. It was only in 2005 that the City collected the same amount in waste fees as the budget allocation⁹. [It has to be noted that currently only 31% of the villages in the Maseru district are being serviced].

The *Weak Spot and Gap Analysis* notes that if all customers were to pay the current waste collection fee, a total of ca. M1.4 million would be generated as City income. However this is not the case. One of the reasons might be that fees are too high for a number of customers, or that the City is not strict enough when it comes to the collection of the fees.

The *Weak Spot and Gap Analysis* indicates that further investigation with MCC will need to take place to understand the reasons for the low fee collection yield achieved in the past. **As part of output 3, the proposed project will work with MCC to review past tariff setting and collection systems (weaknesses and strength) and will subsequently work with MCC to establish future transparent tariff setting procedures and implement better suited fee collection systems/schemes for the City of Maseru.**

The Government budget made available for waste management seems to be difficult to estimate, as costs are born by different ministries and departments' budgets (e.g. Department of Health and Environment, Department of Administration, Department of Works). For the fiscal year 2007/2008, the following budgets were allocated:

- Health and Environment Salaries: M5,197,000
- Refuse Bins: M160,000
- Petrol and Diesel: M1,100,000

The *Weak Spot and Gap Analysis* indicates that further investigation with MCC will need to take place to clarify government budgets available for refuse collection and income generated from waste collection fees. This information will be key in order to determine proper tariffs and well as government costs with respect to waste collection. **As part of output 3, the proposed project will work with MCC to develop a monitoring/payment system to keep track of waste collection fees received (providing an overview of yearly MCC revenue received), facilitate payment services to service providers (PPPs), track government funding disbursed for waste collection and management purposes (government salaries, capital investment**

⁹ As part of the proposed project it would be important to review why central government budget allocations fluctuate and why the fee collection yield in 2005 was higher than in other years.

costs, etc.) and supporting relevant department in submitting and obtaining appropriate yearly budget proposals to the Ministry of Finance.

Important considerations with respect to the financial sustainability of the proposed project are that:

1. Introduction of waste reduction measures (reduction, reuse, recycling) would decrease the financial burden carried by the City as well as waste generators
2. Improved tariff setting procedures, fee collection systems and budget monitoring with help Maseru City to generate a higher income through waste collection fees.
3. Considering that only 31% of villages in the Maseru district are currently being serviced, and waste collection fees and the costs of refuse bins/bags might not be bearable by an important number of households, further subsidisation of waste services by the Government will likely be necessary in the future.

TARIFF SETTING AND WASTE COLLECTION CHARGE¹⁰

UNEP¹¹ identifies that a solid waste service organisation should ideally be accountable for all costs, and the tax or fee paid by waste generators should reflect the actual costs for the service. User charges are a preferred way of collecting such taxes, as they raise public awareness about the costs associated with providing the service. Furthermore, if the charge is related to the quantity of waste discarded, the charge may serve as an incentive for waste prevention.

UNEP indicates that one of the main challenges associated with the implementation of user charges is the customer's willingness to pay for waste service charges. **Surveys to determine both the willingness and capacity to pay should be carried out prior to the establishment of tariffs. As part of the project output 3, ward specific surveys will be undertaken to determine the willingness and capacity of waste generators to pay waste collection fees in the four different wards.**

Experience has shown that the collection of user charges for waste services is extremely low. To overcome this challenge, certain cities have attached user charges to the billing for a service for which residents are more willing to pay. For example, in Lima (Peru), the user charge for solid waste was included with the electricity bill. In other developing countries, residents receive a single bill for water, wastewater, solid waste, and other services such as television and security, if applicable.

Combined billing of services allows for reduced costs associated with the billing process, and leads to a higher collection rate of the user charges. In general it has been shown that the addition of solid waste service charges to other basic service charges has not led to a discernible reduction in the collection of user charges for electricity or water.

As part of project output 3, the possibility will be explored to assess whether a combined billing process would be a feasible solution for fee collection in Maseru City, whether a separate fee collection system (as is currently the case) would be best suited, or a combination of the two (possibly ward-specific based on income levels and service provided).

A solution to be explored, in consultation with companies/state entities providing specific public services, could be the combined billing of DSTV (cable) and waste generation charges¹². Assuming that households which are able to pay for monthly DSTV charges (~ M400) could also

¹⁰ UNEP/University of Cape Town – Final Draft - *Financial Strategy - Integrated Solid Waste Management Plan – ISWMP for the City of Maseru/Lesotho part of the Maseru/Lesotho ISWMP*

¹¹ http://www.unep.or.jp/ietc/Publications/spc/Solid_Waste_Management/Vol_1/24-Chapter16.pdf

more easily afford waste generation charges and are more likely to generate considerable amounts of household waste (compared to low-income households).

Another opportunity would be the combined billing of water and/or electricity, both pre-paid services. The solid waste collection fee could constitute a percentage of such charges; as a result higher income households would subsidize lower income households. It has to be kept in mind that not all households have running water or are connected to the grid (a larger number of households have electricity than running water). Therefore a conscious decision would have to be taken to either refrain from low income household waste fee collection or the institution/continuation of a separate billing system for such wards.

It is typically assumed that the residents of marginal areas are not willing to pay for solid waste services. However, the results of research works indicate that this may not necessarily be the case. In some countries in Latin America, the waste generated in low-income areas, is collected by individuals outside of the formal collection system. The fees charged by these individuals are comparable to those charged by the formal sector.

In setting the right tariffs, additional consideration should be given to making allowances for cross subsidies. Large commercial establishments and high-income residential areas (which typically demand a high quality of service) would be charged a higher tariff than low income areas. In a large number of municipalities, revenues collected from different wards can be deposited into one account, and used where necessary.

Currently the City of Maseru applies a waste collection user charge of **M40/household/month**. According to MCC this amount has been calculated based on the average charge of the quotes submitted by the various contractors in the consortium and is broken down as follows:

- Labour: R15.63 = 39%
- Materials: R9.08 = 23%
- Vehicle: R2.98 = 7%
- Fuel: R6.34 = 16%
- Overheads: R2.77 = 7%
- Profit: 3.20 = 8%

While these charges are not out of line with those imposed elsewhere in the world, it has to be kept in mind that based on these fees (M40/month – M480/year), on average a Basotho would spend **9% of his/her income on waste collection charges** (based on a GDP per capita of M5,380.2).

The UNEP/UCT *Financial Strategy* recommends that consideration would be given to review these charges to reflect the following:

- Amount of waste generated by individual households. The *Baseline Study* has identified that poorer households generate less waste than more affluent households, a trend which is consistent around the world. **Poor households cannot be expected to subsidize waste removal fees for those who can easier afford it.** The distinction could be made on the size of the bin supplied to different households, number of bags removed or supplied each week or by geographical/income location if possible.
- Whether the household in a particular area is required to bring their waste to a central location or whether it is collected from their individual houses. Areas with shared deposits should benefit from reduced costs associated with collection and labour.

*For example: Monthly charge = basic service charge + premium for home collection + x*waste volume generated*

In addition to the above made points, the following should also be taken into account:

- Any revenue or value generated by MCC or the waste consortium (PPP) through at source waste reduction or separate collection of recyclables should be accounted for in the waste charges. This could either be as a direct revenue stream or through reduced costs associated with collection of residual waste.
- Currently municipal waste is dumped at the Tšosane dumpsite (no lining, no cover material, constant fires, attracting rodents and other animals, posing health threats to waste pickers and surrounding communities as well as local water resources) while industrial waste is informally dumped at Ha Tikoe. To reduce human and environmental health impacts posed by the Tšosane dumpsite, the Government has decided to construct a Sanitary landfill in Rothe (*Tšoeneng Sanitary Landfill*). The proposed site is located at approximately 35 km of Maseru City Centre and once the site has been constructed and operationalized, waste charges, as a result of transportation costs and gate fees (costs for landfill management), will rise steeply. Therefore, consideration should be given to how this change will be passed on to waste generators, and whether a transition period will be implemented to allow for generators to adapt to new costs. It is envisaged that in the future industrial waste would be transported to a treatment facility in South-Africa. Transportation and treatment costs will thus rise steeply for industrial waste.

Project output 3 has been purposely developed to address the long-term financial sustainability of the PPPs to be established under the proposed project.

2) APPROPRIATENESS OF A PPP ON WASTE MANAGEMENT

A follow-up project to the solid waste management pilot activity undertaken as part of the *Sustainable Partnerships for the Provision of Essential Services in Maseru* would build upon the important foundation created by the pilot activity and benefit from its lessons-learnt, successes and well as encountered challenges. The follow-up project would support the further formation and establishment of an enabling environment for PPPs while continuing to develop the capacity of relevant PPP stakeholders (public as well as private) as recommended by the project's evaluation.

A follow-up project, focussing on solid waste management and the initialization of awareness building with respect to proper waste management and recycling as well as the valorisation of biodegradable waste, would position MCC, MLG&C and thus the GoL at large, to demonstrate the viability of PPPs and replicate lessons-learnt in other municipalities with respect to the development of PPPs, whether related to solid waste management or other public services.

From an environmental and public health perspective the implementation of a sustainable and financially viable municipal solid waste collection and disposal PPP solution would contribute towards a clean urban living environment through the avoidance of illegal dumping, inappropriate disposal and waste burning commonly practiced in Lesotho in areas where no or inadequate collection services are provided. Such practices pose serious health hazards to (poor) communities living close to waste disposal sites, while creating significant risks to the immediate and global environment through the pollution of ground, surface and drinking water, soil and air (resulting from hazardous waste burning emissions). The provision of a solid waste collection and disposal solution would directly contribute to the attainment of Millennium Development Goal (MDG) no. 7: "*Ensure Environmental Sustainability*".

The creation of financially sustainable solid waste management PPPs would promote the creation of new and/or the expansion of existing micro and small and medium enterprises (SMEs) specialising in solid waste collection, transport, recycling and disposal while community based capacity building on waste recycling and the valorisation of (biodegradable) waste would help create self-employment and micro enterprises in particular among poor communities. As such the

proposed project would directly contribute to attainment of MDG 1: "Eradicate extreme poverty and hunger".

The creation of capacity among women-led businesses/service providers would help expand their capabilities and opportunities in local service delivery by training them to become providers of basic services in their constituencies. Further capacity development of GoL, MCC and the UNDP Country Office would contribute to the establishment and implementation of permissive regulations and affirmative actions to enable women entrepreneurs to compete and win tenders for local service delivery. As such the proposed project would directly contribute to attainment of MDG 3: "Promote Gender Equality and Empower Women".

The Government of Lesotho is particularly committed to addressing national and municipality issues posed by the improper management of solid waste. Its commitment can be derived from the recently finalized draft (2008) of the "Integrated Solid Waste Management Plan (ISWMP) for the City of Maseru/Lesotho" supported by the United Nations Environment Programme (UNEP) and University of Cape Town. The proposed solid waste management PPP project (of which the objectives and proposed activities are outlined in Section IV) is in line with the *Waste Management Principles of Maseru City* as put forward in the ISWMP:

- The right of every citizen to a clean and health environment
- Protection of the common (public) good for current and future generations
- The importance of addressing economic and social added-value of waste-management in terms of job creation and income generation
- All citizens contributing to the growing problem are to be part of the solution
- Primary focus on the promotion and implementation of the 3R principles (Reduction → Reuse → Recycle)
- Awareness and education with a focus on source reduction and waste-to-resource conversion
- Building upon existing local capacities and experiences
- Strengthening PPP including community based waste management processes
- Developing a built-in adaptive mechanism for the continuous monitoring and improvement of the system.

Considering that the scope of the proposed project is entirely in line with the Governments priorities as set out in the *Integrated Solid Waste Management Plan* and *Financial Strategy*, an important foundation and lessons-learnt with respect to the establishment of PPPs, in specific solid waste Management PPPs, is available as a result of the UNDP supported *Sustainable Partnerships for the Provision of Essential Services in Maseru* project, and a favourable public and government attitude towards the creation and use of PPP in public service delivery exists, the timing for sustainable development of an innovative public-private-community partnerships in the delivery of solid waste management services, including waste recycling within urban and peri-urban areas seems very appropriate.

IV. COORDINATION WITH PAST, ON-GOING AND FUTURE PPP AND WASTE MANAGEMENT ACTIVITIES

PUBLIC PRIVATE PARTNERSHIPS DEVELOPMENT COORDINATION

As previously mentioned the proposed project would support the further formation and establishment of an enabling environment for PPPs, in specific with respect to solid waste management PPPs, while at the same time continuing to develop the capacity of PPP stakeholders (public as well as private) to position MCC, MLG&C (and thus the GoL at large) as well as the private sector, to demonstrate the viability of PPPs and replicate lessons-learnt in other municipalities/wards with respect to the development of PPPs, whether related to solid waste management or other public services.

In doing so, the proposed project will build upon assistance previously provided through the UNDP funded and supported project "*Sustainable Partnerships for the Provision of Essential Services in Maseru*", as part of a larger UNDP supported programme "*Public, Private Partnerships for the Urban Environment (PPPUE)*". But it would also build upon and coordinate with the technical and financial support for decentralisation and improved urban governance and management in Lesotho and Maseru provided by numerous other development partners (e.g. GTZ through the facilitation throughout the formulation of the, to be endorsed, Strategic Plan for the MLG&C (2009-2013), the European Union, through its ongoing institution and capacity building programmes for the local government sphere as well as other UN and bi-lateral supported initiatives aiming to improve urban governance and management).

The proposed project will be implemented with the support of UN-HABITAT and as such will benefit from the lessons-learnt and capacity built resulting from the support provided by UN-HABITAT under the *Maseru Sustainable Cities Programme*. The programme's objective, launched in 2005, was to strengthen active consultation and participation of relevant stakeholders in environment issues and create capacity at national and local levels in order to contribute to a environmentally sustainable and socially inclusive urban development and management. In specific the programme supported the City of Maseru in the development of an *Environmental Profile*, the *Maseru City Council Strategic Plan* and the *Maseru City Consultation Declaration Document*. In addition to other ministries and departments, the programme also provided support to the MCC, for example through the development of the *Environmental Profile* quantifying urban and environmental challenges facing the city and making recommendations with respect to governance and management arrangements. The profile has served as a valuable input into the, to be endorsed, 2008 MCC Strategic Plan, providing a road map for the future development of the council.

SOLID WASTE MANAGEMENT COORDINATION

With respect to the management of waste, and in specific solid waste management, there are a number of important initiatives with which coordination throughout the implementation of the proposed project will need to be ensured.

It is assumed that the proposed project will build upon the important foundation created by the solid waste management PPP pilot activity (undertaken as part of the PPPUE) and benefit from its lessons-learnt and successes. However the proposed project is expected to propose solutions for challenges encountered during its implementation and put in place measures to address these appropriately, resulting in the establishment of financially viable and sustainable solid waste and recycling PPPs.

Success in the implementation of the proposed project will be facilitated by the proper and continuous coordination between key ministries, MCC, UNEP, the University of Cape Town, the private sector (in specific the recycling industry) as well as NGOs, with respect to the planning, implementation and lessons-learnt of the activities proposed as part of ISWMP, and benefiting from the 2006 *Baseline Assessment*, the ISWMP's *Financial Strategy* as well as the proposed Environmentally Sound Technologies (ESTs) for operationalization of the ISWMP. Considering a significant number of ISWMP activities will be addressed as part of this proposed project, coordination and cooperation will be essential.

Although not specifically related to solid waste management, considering the hazardous nature of the waste generated, the U.S.A. funded (Millennium Challenges Corporation) *Health Care Waste Management (HCWM) Project* that is expected to be launched in 2010, will assist in updating and extending the legal and policy framework governing HCWM, provide technical assistance for institutional strengthening and capacity building and support public awareness and training programmes. Coordination with this programme will be important, especially in the context of improved waste policy and legal frameworks, as well as with respect to the technical assistance provided for institutional strengthening and capacity building pertaining to the management of waste.

V. RISK ANALYSIS SECTION

<i>Risk</i>		<i>Risk Mitigation Measure</i>
Roles and responsibilities of ministries and municipalities, solid waste generators, the private sector and other stakeholders unclear or competing, resulting in no leadership or slow implementation of proposed project components.	L	Constant and continuous consensus building and project ownership creation amongst project stakeholders will be ensured throughout the implementation of the project through the set-up of a functional and active PPP - Solid Waste Steering Committee (constituting of representatives from MCC, key Ministries, private sector associations (industry, licensed local recycling companies, waste collection consortium, etc). The institution of the SC will help clarify roles/responsibilities/mandates and actively involve stakeholders in decision making with respect to the project
Low awareness of PPPs amongst stakeholders resulting in distrust with respect to PPP schemes.	L	Development of an adequate awareness raising strategy and campaign that will cover suitable communication channels to disseminate information with respect PPPs establishment.
Low capacity among key partners to effectively manage new PPP or improve existing ones.	L	As part of the project, create sufficient capacity within MCC, MLG&C and other Planning Department units to adequately establish and manage PPPs, with respect to contracting (development of sound service delivery agreements), risks evaluation and sustainable financing.
Non-adoption or slow implementation of the Integrated Solid Waste Management Plan (ISWMP) (e.g. due to funding constraints)	L	Even though the proposed project will directly contribute to 7 out of the 20 proposed actions under the UNEP supported ISWMP, in the unfortunate situation that the Plan won't be adopted/implemented in the immediate future, the proposed project will just as well function as a "stand-alone" project. Close consultation with UNEP and University of Cape Town will be ensured in order for the ISWMP to benefit from results of the proposed project.
No improved PPP enabling policy environment to allow for competitive and high quality PPP waste collection, recycling, transportation and disposal.	M	As part of project component 1, an adequate policy and regulatory framework, as well as guidelines and regulations, for the establishment and use of PPPs will be established and subsequently the project will focus on facilitating its adoption/endorsement.
No willingness of solid waste generators to practice sound solid management and/or to pay for waste collection services.	M	Capacity among MCC on the application and enforcement of laws and regulations pertaining to waste collection and disposal will be further developed, while awareness and capacity at community level will be build on waste management, recycling, at-Source Value Addition and polluter pays principles.
Financial Market poor (due to World Financial Crisis) that the costs for collection, transportation of recyclables becomes too high to pay-out levies to collectors or from recycling companies to be remain financially viable.	M	Cross subsidization mechanisms will be identified and appropriately applied to continue promoting waste reduction and recycling activities, as part of budgeting support provided to MCC.
Only interest received from public service providers to collect waste from easily assessable/high income neighbourhoods.	M	Cross subsidization mechanisms will be identified and appropriately applied to continue promoting waste reduction and recycling activities in low income, difficult accessible wards.
No willingness of GoL/MCC to adopt transparent tariff setting procedures specific to ward collection systems and income levels resulting in too high tariffs and continued improper solid waste disposal and management.	M	Create capacity of GoL/MCC/MLG&C to put in place financially sound waste collection fee tariff setting procedures, effective fee collection scheme(s) as well as payment monitoring system(s) as well as necessary institutional capacity to track government funding spent on waste collection and subsequently secure necessary yearly budgets.

VI. RESULTS AND RESOURCES FRAMEWORK

<p>Intended Outcome as stated in the Country Programme Results and Resource Framework:</p> <p><i>Outcome 3.</i> National Institutions have capacity to develop and adopt sustainable pro-poor economic development, environmental management and household food security policies and strategies with special focus on vulnerable groups including women, young men and the disabled.</p> <p>The project's outputs will contribute to the achievement of the Millennium Development Goals (MDGs), in particular Goal 1 (Poverty and Hunger Alleviation: Targets - Halve the number of people living on less than a dollar a day - job creation for the poor), Goal 3 (Promote Gender Equality and Empower Women) and Goal 7 (Environmental Sustainability: Targets - Water and Sanitation and improving the lives of slum dwellers).</p>				
<p>Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:</p> <p>3.3) National institutions have capacity to plan, utilize and manage natural resource including human settlements in a sustainable manner</p> <p>3.1) National institutions able to promote and foster sustainable, pro-poor economic growth</p>				
<p>Applicable Key result area (from 2008-12 Strategic Plan): Environment and sustainable development, Capacity Development Partnership Strategy</p>				
<p>Project title and ID (ATLAS Award ID)</p>				
INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p>Output 1: <i>Enabling policy environment for the establishment of financially sustainable PPPs.</i></p> <p>Baseline: <i>Policy guidelines and legislation have been reviewed and policy guidelines and legislations for local level PPP service delivery arrangements have been developed as part of the PPPUE, however these have not yet been adopted nor do they incorporate gender equality focused pro poor dimensions.</i></p> <p>Indicators:</p> <p>- <i>Adopted overarching policy and</i></p>	<p>Findings from capacity needs assessment presented and published [2010]</p> <p>Overarching policy and legislative framework developed and adopted [2010]</p> <p>Spatial Data base for monitoring and oversight (EMIS) established and operationalized</p>	<p>✓ Undertake a capacity assessment of the assets and needs for individuals, institutions and service sectors with the objective to analyze the feasibility of gender equality focused pro poor service delivery partnerships.</p> <p>✓ Support GoL and MCC in the development, adoption and implementation of permissive policies, guidelines and regulations (including affirmative actions) for gender equality focused pro poor PPP local service delivery arrangements.</p> <p>✓ Develop and put in place an appropriate monitoring and oversight system to keep track of PPP performance.</p>	<p>MCC/MOLG&C/ UN-Habitat/PPPSPD</p>	<p>Financial Input For Output 1: Year 1: US\$27,000</p> <p>Year 2: US\$19,000 Technical Support</p>

<p>legislative framework, including finalised and endorsed guidelines and regulations, pertaining to PPPs.</p> <ul style="list-style-type: none"> - PPP monitoring system established and functional [fully fledged EMIS established in MCC]. 	<p>[2010]</p>	<p>Series of 4 training workshops conducted for MCC, MoLG&C, planning departments and other relevant institutions on:</p> <ul style="list-style-type: none"> - By-laws, regulations and laws governing issues on public service delivery - Establishment of PPPs (incl. risk assessment) - Development of sound service delivery agreements and flexible procurement and contracting procedures <p>3/4 private sector companies engaged for delivery of solid waste collection</p>	<p>MCC/Councillors/Chamber of Commerce/ PPPSD</p>	<p>Financial Input for Output 2: Year 1: US\$27,000 Year 2: US\$23,000 & Technical Support</p>
<p>Output 2: Sufficient institutional capacity created to adequately establish, manage and monitor PPPs.</p> <p>Baseline:</p> <ul style="list-style-type: none"> - Some capacity to manage/establish PPPs is present, however adequate capacity with respect to the development, contracting, risks evaluation, sustainable financing, as well as monitoring and oversight is lacking. - EMIS not fully functional to support decision –making for development - Limited Private Sector engagement for delivery of municipal basic services <p>Indicators:</p> <ul style="list-style-type: none"> - Financially sound PPP service delivery agreements formulated (incorporating pro-poor issues, risks, affordability, service levels and standards) 	<p>✓ Stakeholder sensitization and awareness building with respect to basic public services and PPPs, including MCC by-laws, regulations and laws governing issues on public service delivery as well as waste management services.</p> <p>✓ Create capacity of MCC, MLG&C and other Planning Departments, through targeted training on establishing PPPs, including contracting (development of sound service delivery agreements), risks evaluations and sustainable financing.</p> <p>✓ Support MCC in the formulation of PPP service delivery arrangements, which incorporate pro-poor issues, risks, affordability, service levels and standards.</p> <p>✓ Support MLG&C in the establishment of flexible procurement and contracting procedures to suit the needs of informal service providers (mostly women and youth) and to foster opportunities for local job creation.</p>			

<p>- Institutions have been successful in engaging 3/4 service providers for solid waste management collection</p> <p>Output 3:</p> <p>Sustainable finance mechanisms (application of polluter pays principles) put in place</p> <p>Baseline: Some capacity with respect to the collection of waste fees, illegal dumping fines as well as payment monitoring in place, however the current finance mechanism in place is unable to ensure that waste collection becomes financially viable.</p> <p>Indicators:</p> <ul style="list-style-type: none"> - Transparent fee tariff setting procedures adopted and applied - Effective fee collection scheme tested and increased fee collection yield obtained for four wards - Increased yield of fines for illegal dumping in four wards - MCC is able to provide an overview of yearly revenue and expenditures with respect to waste collection 	<p>services [end of 2010]</p> <p>Results of willingness/capacity surveys published [early 2010]</p> <p>Fee tariff setting procedures adopted [early 2011]</p> <p>Results of feasibility study on single/combined fee collection systems published [early 2010]</p> <p>Fee collection system/approach adopted [2011]</p> <p>Series of 2 training workshops conducted for MCC, MoLG&C, planning departments and other relevant institutions on sustainable financing for PPPs [2010]</p> <p>Solid waste fee</p>	<ul style="list-style-type: none"> ✓ Undertake surveys in four wards to determine the willingness and capacity of waste generators to pay waste collection fees. ✓ Support MCC, MLG&C and other Planning Departments, in the development and adoption of financially sound waste collection fee tariff setting procedures. ✓ Assess the feasibility of a combined or single fee collection system, and subsequently support MCC in putting in place an effective fee collection scheme(s) and payment monitoring system(s) for four different types of wards. ✓ Create capacity of MCC, MLG&C and other Planning Departments, through targeted training, to enable them to track funding spent on waste collection, waste collection fees received and preparation of yearly waste collection budgets. ✓ Train local inspectorates on building awareness among waste generators on municipal regulatory frameworks and laws pertaining to waste disposal. ✓ Provide local inspectorates with the tools and monitoring systems in identifications of illegal dumping activities/sites and the application and collection of fines. ✓ Through the development of public awareness campaigns (covering all public awareness components as set out in the RRF), advocate polluter pays principles. 	<p>MCC/Chamber of Commerce/ WASTE</p>	<p>Financial Input for Output 3:</p> <p>Year 1: US\$23,000</p> <p>Year 2: US\$22,000 & Technical Support</p>
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<p>Output 4: Improved waste collection public services (quality and coverage) for four different types of wards</p> <p>Baseline: Some capacity with respect to the collection of waste, however limited to well accessible (truck accessible wards) and commercial/residential areas.</p> <p>Indicators: - For four selected wards, increased coverage of waste</p>	<p>collection schemes fully implemented and operational in four wards [mid 2011]</p> <p>20 enforcement officers trained in awareness building on regulations and fining procedures [2010]</p> <p>Communications strategy developed (early 2010] and general public's awareness increased on responsibility with respect to waste management and Polluter Pays Principles</p>	<p>✓ Set-up functional and active Solid Waste Steering Committee (SWSC) constituting of representatives from MCC, key Ministries, private sector associations (industry, licensed local recycling companies, waste collection consortium, etc) and as well community representation.</p> <p>✓ SWSC to select four different types of wards (based on Low/Medium/High income, Good/Poor accessibility, High/Low Population density, Residential/Commercial Area) with the objective of establishing appropriate waste collection systems</p> <p>✓ SWSC and project management team to decided upon and design four specific waste collection systems (e.g. curb side truck waste collection, 'bring systems with</p>	<p>MCC/UNDP</p>	<p>Financial Input for Output 4: Year 1: US\$15,000</p> <p>Year 2: US\$25,000</p> <p>& Technical Support</p>
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<p>collection services</p> <ul style="list-style-type: none"> - Four wards specific waste collection systems developed - Four ward specific PPP developed - Financing opportunities identified and secured for necessary capital investments - Cleaner living environment observed in the four wards 	<p>approved [2010]</p> <p>PPPs fitting the wards-specific collection systems established [end 2010]</p> <p>Financial resources identified and secured to cover capital investments for ward specific collection systems [end 2010]</p>	<p>commodity exchange, integration of informal collectors/waste pickers, decentralized waste collection depots, etc.) for real waste, dry recyclables (paper, glass, tins and plastics) and biodegradables (wet waste).</p> <ul style="list-style-type: none"> ✓ Establish and operationalize PPPs specific to the requirements of the four wards to be serviced. ✓ Work with the public service providers in mobilization/identifying financial resources for the provision of waste bins, skips and bags (if applicable) in accordance with the proposed ward specific waste collection systems. 	<p>MCC/Chamber of Commerce/ WASTE</p>	<p>Financial input for Output 5: Year 1: US\$18,720 Year 2: US\$25,280 & Technical Support</p>
<p>Output 5: Increased waste separation in four wards and increased employment opportunities for the poor Baseline: Currently only 9% of waste is being recovered. Indicators:</p> <ul style="list-style-type: none"> - Increase in levies for received recyclables paid out by local recycling companies - Selected communities involved in income generating activities on integrated solid waste management. - Increase in local composting initiatives - At least 2 private recyclers active within the selected 	<p>Take-Back Levies payment systems further developed for selected wards [mid 2010]</p> <p>4 ward specific community awareness campaigns conducted on waste separation, livelihoods opportunities and take-back levies [end 2010]</p> <p>Document lessons-learned on livelihood creator and waste</p>	<ul style="list-style-type: none"> ✓ Support the local Recycling Industry in further developing the necessary capacity to work with Take-Back Levies for recyclables and biodegradables to promote pro-poor livelihood opportunities among waste pickers in four wards. ✓ In four wards, create community awareness and capacity on waste separation, recycling, real waste disposal and recycling and income generation from "At-Source Value Addition" or recycling activities. ✓ Document and disseminate lessons-learned for application in similar types of wards in Maseru or elsewhere in Lesotho. 	<p>Financial input for Output 5: Year 1: US\$18,720 Year 2: US\$25,280 & Technical Support</p>	

<p>settlements.</p> <p>Output 6: <i>Increased employment opportunities for women in public service delivery and in particular in the area of solid waste collection.</i> Baseline: <i>Limited capacity for grassroots women's groups to become providers of MDG results oriented local services. Currently no women-led businesses/service providers have currently signed PPP service agreements with MCC</i></p> <p>Indicators:</p> <ul style="list-style-type: none"> - <i>Increase in number of applications received from women-led businesses as a response to MCC tenders for public services</i> - <i>Increase in number of women-led groups/businesses that have entered into PPP service agreements with MCC</i> - <i>Increased individual/microenterprise employment observed among women at community level</i> - <i>Increased access to micro-credit for cooperatives</i> 	<p>separation/recycling from 4 wards for dissemination [end 2011]</p> <p>Basic training for identified grassroots women's groups, women entrepreneurs, and local authority officials completed [2010]</p> <p>Basic training in business planning skills and tendering for identified grassroots women's groups and women entrepreneurs completed [2010]</p> <p>Document lessons-learned on strengthening capacities for grassroots women's groups and women entrepreneurs [end 2011]</p>	<ul style="list-style-type: none"> ✓ Provide tailored training and follow-up mentoring to women-led providers of local services on service delivery partnership arrangements, to achieve women empowerment and leadership. ✓ Support small scale women-led providers/businesses in the development of business plans to attract funding/loans from finance institutions/UN supported micro-financing schemes. ✓ Facilitate the tendering process and brokering of service level partnership arrangements/agreements between MCC and women led groups/businesses. 	<p>MCC/PPPSD/Chamber of Commerce</p>	<p>Financial Input for Output 6: Year 1: US\$35,000 & Technical Support</p>
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VII. ANNUAL WORK PLAN: YEAR 2009/2010

EXPECTED OUTPUTS <i>And baseline and indicators</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET	
		Q1	Q2	Q3	Q4		Funding Source	Budget Description Amount
<p>Output 1 Enabling environment for the establishment of financially sustainable PPPs. Baseline: -Policy guidelines and legislation have been reviewed and policy guidelines and legislations for local level PPP service delivery arrangements have been developed as part of the PPPUE, however these have not yet been adopted nor do they incorporate gender equality focused pro poor dimensions. -EM/S established but not</p>	<p>✓ Undertake a capacity assessment of the assets and needs for individuals, institutions and service sectors with the objective to analyze the feasibility of gender equality focused pro poor service delivery partnerships.</p> <p>X</p>						Consultancy to undertake capacity assessment US\$ 10,000	
					MCC	TTF (Gender Component)		
	<p>✓ Support GoL and MCC in the development, adoption and implementation of permissive policies, guidelines and regulations (including affirmative actions) for gender equality focused pro poor PPP local service delivery arrangements.</p>		X	X		MOLG&C/MCC	Capacity building programme US12,000	
						UNDP TRAC		

<p>fully functional to support decision –making for development</p> <p>Indicators:</p> <ul style="list-style-type: none"> - Adopted overarching policy and legislative framework, including finalised and endorsed guidelines and regulations, pertaining to PPPs. - PPP monitoring system established and functional [fully fledged EMIS established in MCC]. 	<ul style="list-style-type: none"> ✓ Develop and put in place an appropriate monitoring and oversight system to keep track of PPP performance 	<p>X</p>	<p>X</p>	<p>MCC/UN-HABITAT</p>	<p>UNDP TRAC</p>	<p>EIMS Specialist to set up database and Training</p>	<p>US\$ 15,000</p>
<p>Output 2</p> <p>Sufficient institutional capacity created to adequately establish, manage and monitor PPPs.</p> <p>Baseline:</p> <ul style="list-style-type: none"> - Some capacity to manage/establish PPPs is present, however adequate capacity with respect to the development, contracting, risks evaluation, sustainable 	<ul style="list-style-type: none"> ✓ Stakeholder sensitization and awareness building with respect to basic public services—and PPPs, including MCC by-laws, regulations and laws governing issues on public service delivery as well as waste management services. ✓ Create capacity of MCC, MLG&C and other Planning Departments, through targeted training on establishing PPPs, including contracting (development of sound service delivery agreements), risks evaluations and sustainable financing. 	<p>↑</p>	<p>↑</p>	<p>MCC/Councillors</p>	<p>TTF (PPPSD)</p>	<p>Awareness building programme</p>	<p>US\$ 5,000</p>
		<p>↑</p>	<p>↑</p>	<p>MCC/MOLG&C</p>	<p>TTF (PPPSD)</p>	<p>Training Programme</p>	<p>US\$ 7,000</p>

<p>financing, as well as monitoring and oversight is lacking.</p> <ul style="list-style-type: none"> - Limited Private Sector engagement for delivery of municipal basic services <p>Indicators:</p> <ul style="list-style-type: none"> - Financially sound PPP service delivery agreements formulated (incorporating pro-poor issues, risks, affordability, service levels and standards) - Institutions have been successful in engaging 3/4 service providers for solid waste management collection. 	<p>✓ Support MCC in the formulation of PPP service delivery arrangements, which incorporate pro-poor issues, risks, affordability, service levels and standards.</p>	<p>X</p>	<p>X</p>	<p>↑</p>	<p>MCC</p>	<p>UNDP TRAC</p>	<p>Training</p>	<p>US\$5,000</p>
<p>✓ Support MLG&C/MCC in the establishment of flexible procurement and contracting procedures to suit the needs of informal service providers (mostly women and youth) and to foster opportunities for local job creation.</p>	<p>✓</p>	<p>X</p>	<p>↑</p>	<p>MCC/Chamber of Commerce</p>	<p>TTF (Gender Component)</p>	<p>Systems/Proc edures development</p>	<p>US\$ 7,000</p>	
<p>Output 3</p> <p>Sustainable finance mechanisms (application of polluter pays principles) put in place</p> <p>Baseline: Some capacity with respect to the collection of waste fees, illegal dumping fines as well as payment</p>	<p>✓ Undertake surveys in four wards to determine the willingness and capacity of waste generators to pay waste collection fees.</p> <p>Through the development of public awareness campaigns (covering all public awareness components as set out in the RRF), advocate polluter pays principles</p>	<p>X</p>	<p>↑</p>	<p>MCC/Councillors</p>	<p>TTF (PPPSD)</p>	<p>Consultancy for feasibility study</p>	<p>US\$6,000</p>	
<p>Through the development of public awareness campaigns (covering all public awareness components as set out in the RRF), advocate polluter pays principles</p>	<p>X</p>	<p>X</p>	<p>↑</p>	<p>MCC/NGO</p>	<p>UNDP TRAC</p>	<p>Awareness Campaigns</p>	<p>US\$5,000</p>	

<p>monitoring in place, however the current finance mechanism in place is unable to ensure that waste collection becomes financially viable.</p> <p>Indicators:</p> <ul style="list-style-type: none"> - Transparent fee tariff setting procedures adopted and applied - Effective fee collection scheme tested and increased fee collection yield obtained for four wards - Increased yield of fines for illegal dumping in four wards - MCC is able to provide an overview of yearly revenue and expenditures with respect to waste collection. 	<p>✓ Train local inspectorates on building awareness among waste generators on municipal regulatory frameworks and laws pertaining to waste disposal.</p>	<p>X</p>						<p>MCC/WASTE</p>	<p>TTF (PPPSD)</p>	<p>Training</p>	<p>US\$ 5,000</p>
	<p>✓ Support MCC, MLG&C and other Planning Departments, in the development and adoption of financially sound waste collection fee tariff setting procedures.</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>MCC/Chamber of Commerce</p>	<p>UNDP TRAC</p>	<p>Capacity Building Programme</p>		<p>US\$7,000</p>

<p>Output 4 Improved waste collection public services (quality and coverage) for four different types of wards</p> <p>Baseline: Some capacity with respect to the collection of waste, however limited to well accessible (truck accessible wards) and commercial/residential areas.</p> <p>Indicators:</p> <ul style="list-style-type: none"> - For four selected wards, increased coverage of waste collection services - Four wards specific waste collection systems developed - Four ward specific PPP developed - Financing opportunities identified and secured for necessary capital investments - Cleaner living environment observed in the four wards 	<p style="text-align: center;">X</p> <p>✓ Set-up functional and active Solid Waste Steering Committee (SWSC) constituting representatives from MCC, key Ministries, private sector associations (industry, licensed local recycling companies, waste collection consortium, etc) and as well community representation.</p>	<p style="text-align: center;">↑</p>	<p style="text-align: center;">MCC/UNDP</p>	<p style="text-align: center;">TTF (PPPSD)</p>	<p style="text-align: center;">Office Overheads</p>	<p style="text-align: center;">US\$3,000</p>
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	<p>✓ SWSC to select four different types of wards (based on Low/Medium/High income, Good/Poor accessibility, High/Low Population density, Residential/Commercial Area) with the objective of establishing appropriate waste collection systems</p> <p>✓ SWSC and project management team to decide upon and design four specific waste collection systems (e.g. curb side truck waste collection, 'bring systems with commodity exchange, integration of informal collectors/waste decentralized waste collection depots, etc.) for real waste, dry recyclables (paper, glass, tins and plastics) and biodegradables (wet waste).</p> <p>✓ Establish and operationalize PPPs specific to the requirements of the four wards to be serviced.</p> <p>Work with the public service providers in mobilization/identifying financial resources for the provision of waste bins, skips and bags (if applicable) in accordance with the proposed ward specific waste collection systems.</p>		X			MCC/Chamber of Commerce	TTF (PPPSD)	Administrative costs	<p>-----</p> <p>US\$ 4,000</p> <p>US\$ 4,000</p> <p>US\$ 4,000</p>
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<p>Output 5 Increased waste separation in four wards and increased employment opportunities for the poor</p> <p>Baseline: Currently only 9% of waste is being recovered.</p> <p>Indicators:</p> <ul style="list-style-type: none"> - Increase in levies for received recyclables paid out by local recycling companies - Selected communities involved in income generating activities on integrated solid waste management. - Increase in local composting initiatives <p>-At least 2 private recyclers active within the selected settlements.</p>	<p>✓ Support the local Recycling Industry in further developing the necessary capacity to work with Take-Back Levies for recyclables and biodegradables to promote pro-poor livelihood opportunities among waste pickers in four wards</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>MCC/WASTE</p>	<p>TTF (PPPSD)</p>	<p>Capacity Development</p>	<p>US\$10,000</p>
<ul style="list-style-type: none"> ✓ In four wards, create community awareness and capacity on waste separation, recycling, real waste disposal and recycling and income generation from "At-Source Value Addition" or recycling activities. 	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>MCC/WASTE/ NGO</p>	<p>TTF (PPPSD)</p>	<p>Awareness and capacity building</p>	<p>US\$ 8,720</p>
<p>Output 6 Increased employment opportunities for women in public service delivery and in particular in the area of solid waste collection.</p> <p>Baseline: Limited capacity for grassroot women's</p>	<p>✓ Provide tailored training and follow-up mentoring to women-led providers of local services on service delivery partnership arrangements, to achieve women empowerment and leadership</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>MCC/PPPSD</p>	<p>TTF (Gender Component)</p>	<p>Training programme</p>	<p>US\$ 7,000</p>

<p>groups to become providers of MDG results oriented local services. Currently no women-led businesses/service providers have currently signed PPP service agreements with MCC</p> <p>Indicators:</p> <ul style="list-style-type: none"> - Increase in number of applications received from women-led businesses as a response to MCC tenders for public services - Increase in number of women-led groups/businesses that have entered into PPP service agreements with MCC - Increased individual/microenterprise employment observed among women at community 	<p>✓ Support small scale women-led providers/businesses in the development of business plans to attract funding/loans from finance institutions/UN supported micro-financing schemes.</p>				<p>MCC/PPSD/Chamber of Commerce</p>	<p>TTF (Gender Component)</p>	<p>US\$6,000</p>
	<p>Facilitate the tendering process and brokering of service level partnership arrangements/agreements between MCC and women led groups/businesses</p>		<p>X</p>		<p>UNDP/Chamber of Commerce</p>	<p>TTF (Gender Component)</p>	<p>US\$5,000</p>
						<p>UNDP TRAC</p>	<p>US\$38,000</p>
						<p>TTF</p>	<p>US\$99,000</p>
						<p>GMS (ITTF)</p>	<p>US\$7,920</p>
<p>TOTAL</p>							<p>US\$144,920</p>

VIII. MANAGEMENT ARRANGEMENTS

Article III of the Standard Basic Agreement between the Government of the Kingdom of Lesotho and UNDP of 31 December 1974 states that execution of UNDP-assisted projects shall remain the responsibility of the Government. This was also reaffirmed in United Nations General Assembly resolution 44/211, which categorically states that the recipient Governments have the sole responsibility for the co-ordination of external assistance and the principal responsibility for its design and management and that the exercise of those responsibilities is crucial to the optimal use of external assistance and to the strengthening and utilization of national capacity. UNDP works to help develop and enhance the national capacities in the initiation, implementation and conclusion of the developmental undertakings in which it is involved as a partner. For this to work, it is essential that the Government assume the overall responsibility and direction for the execution of the UNDP-supported initiatives. To this end, the National Execution (NEX) modality will be used for programme execution in accordance with the approved Country programme Action Plan (CPAP).

Whereas *execution* means overall ownership and responsibility for programme activities, to be undertaken by the Ministry of Finance and Development Planning, expressed via signature of the CPAP, *implementation* means responsibility for management and delivery of programme activities to achieve specified results, and is expressed via signature of an Annual Work Plan (AWP).

Given the scope of the project, the Maseru City Council (MCC) will be the **Implementing Partner** for all Output areas, and Annual Work Plans (AWP) will be signed with by this partner as it will have responsibility for the management and delivery of project activities to produce the specified output(s). Day to Day management of the project will be the responsibility of a Project Manager who will be a full time employee of the MCC. He/She will be answerable to the Project Coordinator who is the Director of Planning and Development of Maseru City council. He/She will have specific and direct responsibility for coordinating project implementation, and day to day operations and administration and mobilisation of support from key stakeholders. All consultants shall be fully responsible to the Project Manager for their day to day discharge of their duties under the project. MCC will be responsible for the financial management for the project

In line with the UNDP Harmonised Approach to Cash Transfers (HACT) approach to disbursements of project funds, agreements will be made with the implementing partner to either transfer funds on a quarterly basis to the implementing partner for activities set out in an approved Annual Work Plan or for UNDP to make direct payments to service providers. The decision whether to transfer funds to an implementing partner or make direct payments will also be informed by a capacity assessment of the implementing partner (see below on Capacity Assessments).

In all administrative and operational aspects of the project implementation, the UNDP Country Office/UN-HABITAT Focal Officer will provide support to and facilitate the implementation of activities in the form of **Implementation Support Services**. Procurement as well as recruitment of project staff and consultants will be done by UNDP in line with standard, published, UNDP procurement and recruiting rules and procedures. In addition, UNDP is able to provide support to the Implementing Partner(s) by processing procurement of goods and services, as well as accessing and adapting best practices from its global knowledge networks. As these services entail a cost to the UNDP office, these will be incorporated as direct costs to the project.

If required, training on the UNDP project management, procurement and financial practices and regulations will be given during the start-up of the project to the Implementing Partners.

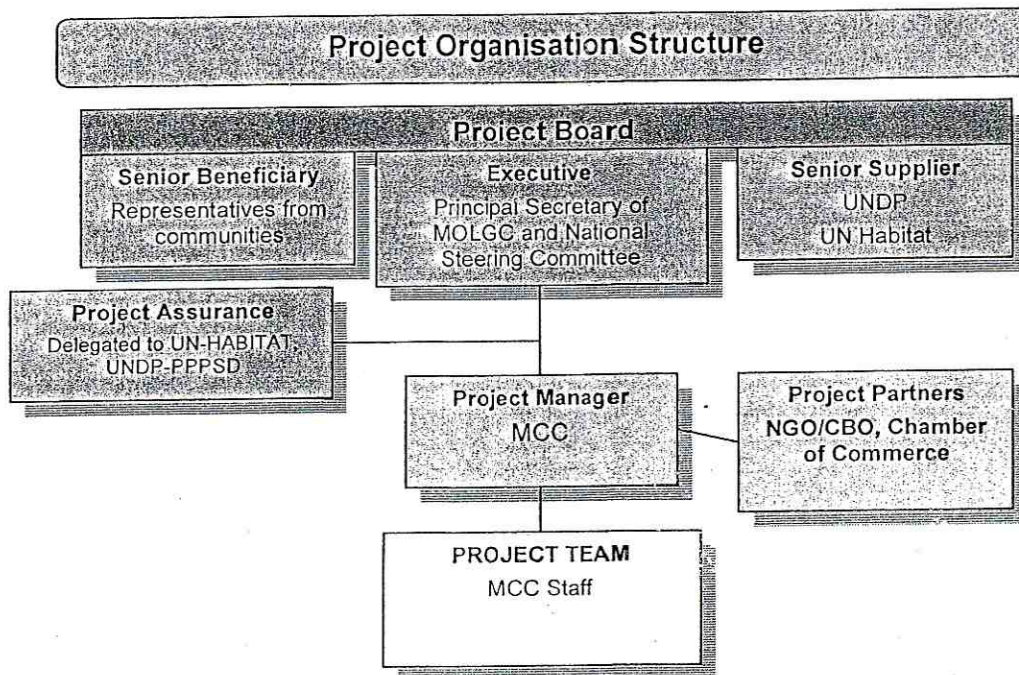
Project Partners, Roles and Responsibilities

The Maseru City Council (MCC) will be the lead implementing agency and will coordinate all stakeholders involved in this project. The MCC will provide oversight and engender a conducive environment to facilitate the partnership of the private sector and civil society in the provision of basic services for the inhabitants of Maseru, especially the poor. As part of exit strategy, UNDP/UNV will deploy two National UNV volunteers to work on the project to compliment MCC's staff and MCC will absorb them into its personnel establishment at the end of project contract. This is a strategic way to retain the capacity that has been built through development projects for continuity and retention of relevant skills and experience.

A NGO or CBO will be selected through the Tender process to work directly with communities at the grassroots level, acting as a liaison between the project team and the communities implementing the projects.

- will also part of the project team
- will mobilize the communities and assist communities in project planning and monitoring

The Lesotho Chamber of Commerce has agreed to partner in this project to facilitate and support business community stakeholder sensitization and awareness building with respect to basic public services and PPPs and specifically on waste management services. This to enhance the knowledge of the business sector with regards to the potential of PPPs, their limitations, rights etc. This will also include capacity development of the business sector in the tendering process for PPPs.



Audit arrangements

In line with UNDP auditing procedures, the project will be subject to audit on an annual basis. The costs for the audit will be borne by the project.

Intellectual property Rights and Use of logo

In all communication, the project will bear the logos of the Government of Lesotho and the UNDP. This arrangement may change based on requirements from additional partners that join the project at a later stage.

Financing arrangements

The support activities identified in this project will be funded by UNDP Core resources, UNDP PPPSD. In addition a Government Cost Sharing contribution will be expected from Implementing Partner. This Cost Sharing could be cash deposit but in-kind contributions from MCC will also be sought, especially since it is expected to invest in its capacity,

It is important though to indicate that the financing arrangements above do not include funding of the PPPs to be established as part of the project. These PPPs will be self-sufficient with potentially some start-up subsidies through either MCC, Government budget or private investment.

MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the UN-HABITAT Project focal officer will be responsible for monitoring the project through the following:

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

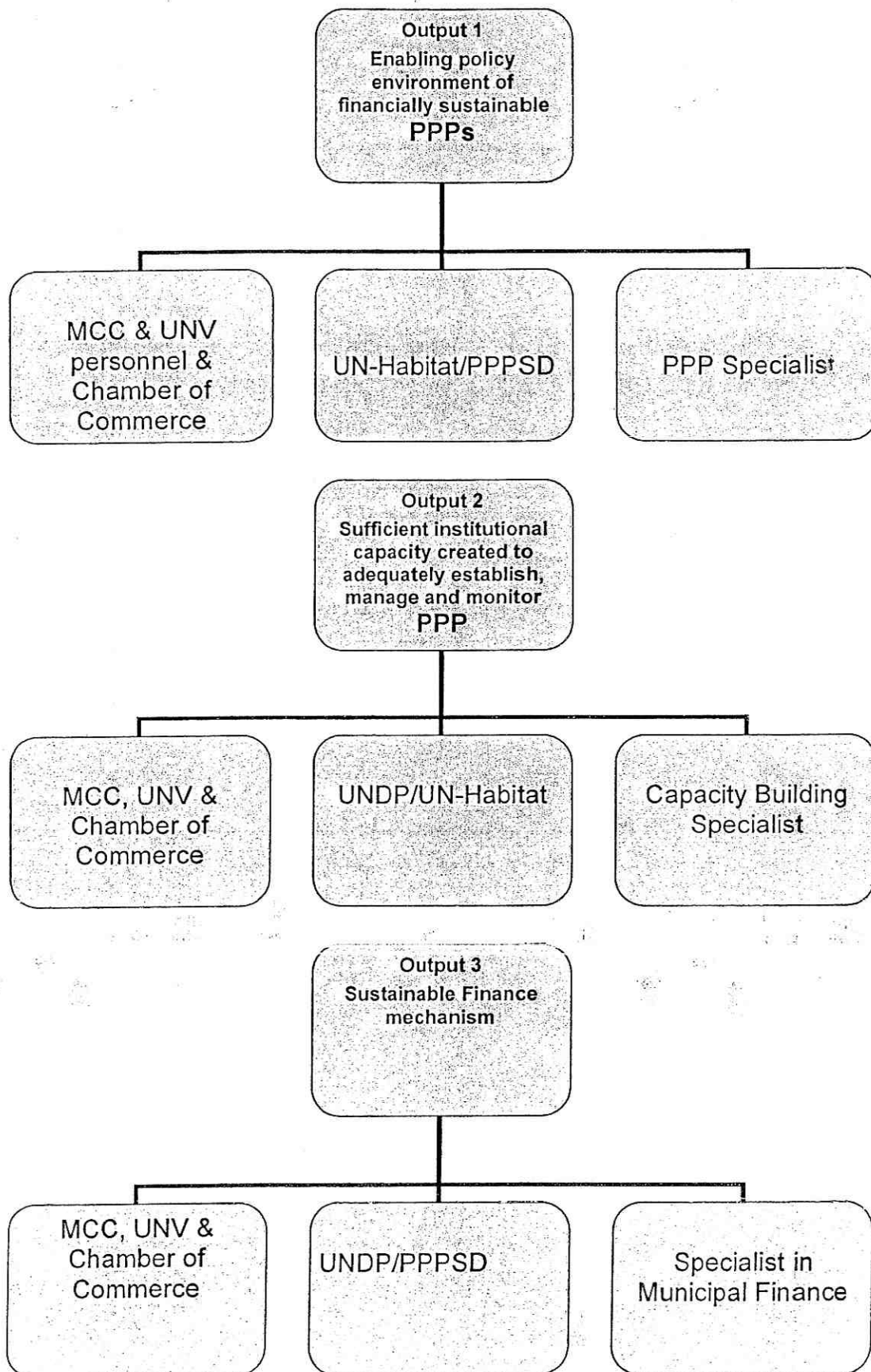
Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

Final Project Evaluation

- Towards the end of 2010, an evaluation will be conducted funded through the project. An international consultant will be engaged to assess the impact of the project and draw up Lessons Learned. The evaluation should be specifically focused towards determining the extent to which the national capacity is sufficient to continue to carry out the foreseen activities. If gaps exist, the evaluation should serve to indicate the required activities to ensure sustainable national capacity. This evaluation is critical to ensure that the UNDP exit strategy is viable and that national capacity is indeed built as one of the key results.

ANNEX 1: Personnel and Technical Expertise Required in the Implementation Process
Per Output



Output 4
Improved Waste
Collection Services
(quality & coverage) for
four different types of
wards

MCC/UNV, CBOs &
Private Waste
Companies

UN-Habitat/UNEP

PPPSD/WASTE

Output 5:
Increased waste
separation in Wards and
increased employment
opportunities for the poor

MCC/UNV, NGOs
and Chamber of
Commerce

PPPSD/WASTE

Specialist in Small &
Medium Enterprises
Development

Output 6
Increased Employment
Opportunities for Women
in Public Service Delivery
in the area of Solid Waste
Collection

MCC/UNV, NGO,
Chamber of
Commerce and
Ministry of Gender

PPPSD/UNDP

Gender Equality
Specialist