



2019 – 2022 STRATEGIC PLAN

REVISED VERSION

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List of Abbreviations

CE	Chief Executive
DM-DOD	Divisional Manager Development and Operations Division
DM-Phase II	Divisional Manager Phase II Division
DM-SDE	Divisional Manager Social Development and Environment Division
ERMP	Enterprise Risk Management Process
EVNB	Environment Branch
FOB	Field Operations Branch
GOL	Government of Lesotho
KOB	Katse Operations Branch
LHDA	Lesotho Highlands Development Authority
LHWC	Lesotho Highlands Water Commission
LHWP	Lesotho Highlands Water Project
MOB	Mohale Operations Branch
MUB	‘Muela Operations Branch
O&M	Operations and Maintenance
RDB	Resettlement and Development Branch
RSA	Republic of South Africa
SADC	Southern African Development Community
SSCMB	Social Services and Compliance Monitoring Branch
SWOT/SLOT	Strengths, Weaknesses/Limitations, Opportunities and Threats
TCTA	Trans-Caledon Tunnel Authority

1.0 Strategic Plan 2019 – 2022

The LHDA has adopted the three-year rolling strategic plan as directed by the LHWP Governance Manual, starting with the 2019-2022 Strategic Plan. The strategic plan is revised every fiscal year of the strategic planning horizon, mainly focusing on key performance indicators and target outputs, such that every year of the three (3) years horizon, there is an up-to-date version of the three-year strategic plan.

1.1 Vision

A world class organisation in the development and management of water resources and electricity generation

1.2 Mission

To implement the Lesotho Highlands Water Project:

- (a) effectively and efficiently, in accordance with internationally recognised standards
- (b) through capable and engaged people

1.3 Values

The values that lay a foundation for LHDA to fulfil its Mission and realise its Vision include:

a) Caring

To be responsible, sensitive, economical and protective of our resources, sense of ownership

b) Professionalism

Discharge duties with efficiency, care and skill; we conduct ourselves and work competently

c) Execution

We get things done; have a bias for action

d) Team Work

Unity is strength; we value the role and inputs of others; draw on strengths and skills

e) Communication

Listening, effective information sharing, two-way communication

f) Customer Focus

Meet the requirements of a customer; all our actions are directed towards delivering value

2.0 The Strategic Planning Process

This Strategic Plan was revised by the Management in September 2018, facilitated by the Corporate Planning and Risk Management (CPRM) Team. The process followed the LHDA Strategic Management Process and the LHDA Enterprise Risk Management Process.

The process started with formal one-on-one consultations with all divisional managers, branch managers and senior officers, focusing mainly on individual branches' performance against the 2017–2020 Strategic Plan.

The discussions started with reviewing the LHDA performance against the 2018/19 Business Plan up to August 2018, identifying activities which would be carried forward into the 2019 - 2022 Strategic Plan. Subsequently, the SWOT analysis was performed and new initiatives formulated against the issues identified for inclusion into the 2019/20 Corporate Business Plan, the first year of 2019-2022 Strategic Plan. The 2017-2020 Strategic Plan was reviewed to incorporate the new initiatives, spread over three (3) years of the 2019-2022 Strategic Plan.

3.0 Planning Environment (LHDA in Context)

The planning environment has not changed from the 2017-2020 Strategic Plan planning environment with the major focus being to drive Phase II activities, address community matters and deal with O&M issues.

4.0 Strategic Thrust

The strategic thrusts did not change as the LHDA continues to re-launch thrusts which will reposition the culture of performance, even in the 2019-2022 Strategic Plan horizon. The repositioning focuses on the following thrusts:

1. Community Related Issues Under Phase I
2. Phase I Compensation Database Upgrades and Verification
3. Phase II Compensation and Proper Registration of Assets
4. Proper Operations and Maintenance (O&M)
5. Efficient Contracts Management Processes
6. Updated and Aligned Policies and Procedures
7. Knowledge Management
8. Internal Team Effectiveness Processes
9. Robust Financial Management and Reporting

5.0 Analysis of Strengths, Weaknesses/Limitations, Opportunities and Threats (SWOT/SLOT)

INTERNAL - CURRENT STATE	EXTERNAL - FUTURE STATE
<p><u>STRENGTHS</u></p> <ul style="list-style-type: none"> • Reasonably funded training and development • Adequate funding • Leadership support • Highly skilled and experienced staff • Members of bio-diversity and protected areas of working group, mining and environment forum • Good relationships with government institutions • Robust financial systems (e.g. Sage, Flow-centric, etc.) • Quality POE reviews 	<p><u>OPPORTUNITIES</u></p> <ul style="list-style-type: none"> • Availability of specialised expertise in the market • Technological advancement • Forging relationships with institutes of higher learning • Declaration of protected areas (for environment purpose) • LHDA Brand (implementation of Phase II)
<p><u>WEAKNESSES/ LIMITATIONS</u></p> <ul style="list-style-type: none"> • Inadequate HR (Organisational structure with limitations) • Too much reliance on external lawyers • Poorly maintained database (complaints management, DOD information depository) • Inadequate land asset inventory management • Existence of some outdated policies and procedures • Management of lodges without appropriate expertise • Aging infrastructure and facilities • Absence of Asset Management System • Long procurement process (resulting from staff shortage, submission of sub-standard papers, LHWC's delays in making decisions) • Absence of succession plan • Silo mentality (concentration on own issues and poor inter-branch cooperation) • Red-tape (conservatism) • Undefined turn-around time (affecting PR's response to external enquiries and queries) 	<p><u>THREATS</u></p> <ul style="list-style-type: none"> • Inconsistent GoL funding • Too much reliance on external parties (LEC, Roads Directorate) to implement community and resettlement projects • Climate change • Escalating community complaints • Poor land use management (overgrazing, cultivating slopes and waste management) • Lack of enforcement in mining activities • Poor road construction affecting wetlands • Dwindling economic prospects for Lesotho and RSA • Chronic and life threatening diseases leading to loss of productivity, expertise and capacity • Delays in approvals by the LHWC (e.g. delayed approval of cost-to-funding) • Cyber crime • Absence of regulatory standards for dams • Implementation of Phase II operating rule

The SWOT analysis results highlighted issues relating to the general operations of the LHDA. Most of the weaknesses have been addressed by initiatives contained in the Operational Plan while some have been earmarked for initiatives contained in the branches' business plans. The threats were also addressed in the corporate risk register and branches' risk registers. The major issues highlighted by the SWOT have been categorised and summarised as follows:

The human resources: The absence of the succession planning, organisational structure with limitations and the silo mentality or poor inter-branch cooperation have a bearing on the operations of the LHDA resulting in operational inefficiencies. The LHDA is putting focus on ensuring adherence to the implementation of the PMDS which should guide the holistic implementation of the strategy. Further to this, the envisaged remuneration survey, and the organisational and manpower study will aid and address the inadequacy of the human resources.

Infrastructure and facilities management: the LHDA is facing the challenge of aging infrastructure and facilities, which may deem difficult to either refurbish or replace as the appropriate services are not easily obtainable in the market. The on-going expansion of the CMMS into other FOBs including the proposed development of the Asset Management System is intended to address this challenge.

Land asset inventory management: the LHDA acquired land assets during construction, which, part of, is no longer required by the LHDA and communities continue using despite the compensation program. There is no database on these land assets currently being maintained, which makes it difficult for the LHDA to decide on which land to maintain or dispose. The task team has recently been established working on identifying all the land LHDA has and facilitating acquisition of titles.

Management of community complaints: this has been a problematic area with supporting documentation missing resulting in disservice to community and bad reputation. However efforts to collaborate with the LHWC on Phase I related complaints are made, while in Phase II, implementation of the Participation Strategy plays a preventative measure in controlling complaints. Furthermore, Phase II offers opportunities to implement livelihood projects to improve on the livelihoods of communities affected by the LHWP resulting in good reputation.

Poor land use management: improper use of land by the external stakeholders such as communities, mining companies, and other developmental organisations has an impact in the LHWP operations of which the LHDA has limited control. The climate change impacts are likely to inflict more hindrances on the use of land ultimately impacting on the operations of the LHDA. The continued implementation of the Integrated Catchment Management Programs, including intensive collaboration with the relevant stakeholders goes a long way in addressing this.

Political, economic and social: changing political environments has a direct bearing on governance and progress on operations of the LHDA resulting in delayed decisions due to limited knowledge on operations of LHDA by new Authorities. The RSA economy experienced technical recession while Lesotho declining economy impacted on GoL ability to consistently finance the LHDA budget. While the LHDA does not have strategies directly addressing these threats, the on-board induction of the new Authorities, the general cost-saving initiatives and close monitoring of financial accounts are implemented in cognisance of these threats.

6.0 Key Focus Areas and Smart Objectives

KFA 1: To ensure optimal transfer and delivery of high quality water to RSA
1.1 To ensure delivery of water to RSA while ensuring a long term reliability of the LHWP System
1.2 To effectively manage the water resources within the LHWP
1.3 To ensure optimal operations and proper maintenance of existing support infrastructure
1.4 To effectively plan and implement LHWP Phase II to deliver water in 2026
KFA 2: To ensure efficient and cost effective production of electricity to Lesotho
2.1 To efficiently operate and maintain the hydropower generation
2.2 To increase the LHWP electricity generation capacity as part of Phase II activities
KFA 3: To sustainably manage biophysical environment and social aspects within the LHWP
3.1 To ensure that the standard of living of the communities affected by the Phase I LHWP is either maintained or raised above pre-project levels
3.2 To ensure that the standard of living of the communities affected by the Phase II LHWP is either maintained or raised above pre-project levels
3.3 To promote sustainable management of biophysical environment within Phase I of LHWP area
3.4 To plan and implement LHWP Phase II using internationally accepted best practices
KFA 4: To enable effective and efficient support services to deliver on organisational objectives
4.1 To enable an efficient, effective and fully capacitated organisation

7.0 Strategic Plan Critical Success Factors

- a) Internal stakeholders (staff) buy-in
- b) Government buy-in (LHWC)
- c) Continued Commitment of the leadership to the Plan
- d) Availability of resources (financial, technological, human, data and time)

8.0 2019 - 2022 Operational Plan

SMART OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET OUTPUT 2019/20	TARGET OUTPUT 2020/21	TARGET OUTPUT 2021/22	RESPONSIBLE
KFA 1: To ensure optimal transfer and delivery of high quality water to RSA					CE
1.1 To ensure delivery of water to RSA while ensuring a long term reliability of the LHWP System (DM-DOD)	1.1.1 Quantities of water delivered to RSA achieved within $\pm 0.5\%$ of planned schedule	700 Mm ³ of water transferred within $\pm 0.5\%$ variance as per monthly delivery schedule	860 Mm ³ of water transferred within $\pm 0.5\%$ variance as per monthly delivery schedule	780 Mm ³ of water transferred within $\pm 0.5\%$ variance as per monthly delivery schedule	MUB Manager
	1.1.2 Invoicing of RSA on royalties on monthly basis by the 31 st December 2021	M884 million royalties invoiced by the 31 st December 2019	M1,135 million royalties invoiced by the 31 st December 2020	M1,082 million royalties invoiced by the 31 st December 2021	RMB Manager
1.2 To effectively manage the water resources within the LHWP (DM-SDE)	1.2.1 Compliance to water quality within 80% of agreed guidelines	Quality of water within 80% of agreed guidelines	Quality of water within 80% of agreed guidelines	Quality of water within 80% of agreed guidelines	ENVB Manager
1.3 To ensure optimal operations and proper maintenance of existing infrastructure (DM-DOD)	1.3.1 Compliance to the approved Operations and Maintenance (O&M) Plan achieved at 96% on monthly basis	96% compliance to O&M Plan (monthly report)	96% compliance to O&M Plan (monthly report)	96% compliance to O&M Plan (monthly report)	FOB Managers
	1.3.2 Implementation of Operations and Maintenance Projects 95% complete by the 31 st March 2022	Katse-'Muela Transfer and Delivery Tunnel's inspection and repairs done by the 30 th November 2019	N/A	N/A	KOB/MOB Managers
		Katse Diversion Tunnel plugging design completed by the 31 st March 2020	Katse Diversion Tunnel plugged by the 31 st March 2021	N/A	KOB Manager
		Mohale Tunnel repairs completed by the 31 st March 2020	N/A	N/A	MOB Manager
	Removed 'Muela Dam sediment at 0.05MCM by the 31 st March 2020	Removed 'Muela Dam sediment at 0.3MCM by the 31 st March 2021	Removed 'Muela Dam sediment at 0.3MCM by the 31 st March 2021	Removed 'Muela Dam sediment at 0.3MCM by the 31 st March 2022	MUB Manager

SMART OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET OUTPUT 2019/20	TARGET OUTPUT 2020/21	TARGET OUTPUT 2021/22	RESPONSIBLE
1.4 To effectively plan and implement LHWP Phase II to deliver water in 2026 (DM- PHASE II)	1.4.1 Implementation of Phase II Program 34% complete by the 31 st March 2022	Advance infrastructure program more than 60% complete by the 31 st March 2020	Advance infrastructure program more than 80% complete by the 31 st March 2021	Advance infrastructure program 100% complete by the 31 st December 2021	DM Phase II
		Dam contractors shortlist approved by 30 th September 2019 and evaluation of tenders in progress by the 31 st March 2020	Dam construction commenced by the 30 th September 2020. Construction of the Dam 10% complete by the 31 st March 2021	Construction of the Dam 30% complete by 31 st March 2022	
		Transfer Tunnel contractors shortlist approved by the 30 th September 2019 and evaluation of tenders in progress by the 31 st March 2020	Construction of the Transfer Tunnel commenced by the 30 th June 2020 and 15% complete by the 31 st March 2021	Construction of the Transfer Tunnel 35% complete by the 31 st March 2022	
KFA 2: To ensure efficient and cost effective production of electricity to Lesotho					CE
2.1 To efficiently operate and maintain the hydropower generation (DM- DOD)	2.1.1 Generation of electricity in line with the agreed schedule	449GWh generated in line with the agreed schedule	551GWh generated in line with the agreed schedule	500GWh generated in line with the agreed schedule	MUB Manager
2.2 To increase the LHWP electricity generation capacity as part of Phase II activities (DM- PHASE II)	2.2.1 Implementation of Feasibility Study recommendations on the resuscitation of Mini-hydropower Stations by the 31 st March 2022	Designs for Mohale and Katse Mini-hydropower Stations completed by the 31 st March 2020	Installation of Mohale and Katse Mini-hydropower Stations completed by the 31 st March 2021	N/A	DM Phase II/ DM-DOD
	2.2.2 Award of Hydropower Construction Contract by the 31 st March 2022	Hydropower Component to bankable feasibility completed by the 30 th September 2019 and funding for detailed design for implementation of preferred option secured by the 31 st March 2020	Tender design of the Hydropower Component 30% complete by the 31 st March 2021 and financing for construction secured	Hydropower Construction Contract awarded by the 31 st March 2022	DM Phase II
KFA 3: To sustainably manage biophysical environment and social aspects within the LHWP					CE
3.1 To ensure that the standard of living of the communities affected by the Phase I	3.1.1 Implementation of Infrastructure and Community Projects (reduction of liability from M244 million by M146	Planned Infrastructure and Community Development Projects implemented (liability	Planned Infrastructure and Community Development Projects implemented (liability	Planned Infrastructure and Community Development Projects implemented (liability	RDB Manager

SMART OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET OUTPUT 2019/20	TARGET OUTPUT 2020/21	TARGET OUTPUT 2021/22	RESPONSIBLE
LHWP is either maintained or raised above pre-project levels (DM- SDE)	million) by the 31 st March 2022	reduced by M46 million) by the 31 st March 2020	reduced further by M48 million) by the 31 st March 2021	reduced further by M52 million) by the 31 st March 2022	
	3.1.2 Implementation of EAP Projects	Development of LHWP Wetlands Conservation Strategy and Monitoring Plan (C1330) completed by the 31 st March 2020	Wetlands Conservation Strategy and Monitoring Plan implemented (10% of affected land rehabilitated) by the 31 st March 2021	Wetlands Conservation Strategy and Monitoring Plan implemented (30% of affected land rehabilitated) by the 31 st March 2022	ENVB Manager
		IFR External Audit (C1323) completed by the 31 st March 2020	IFR External Audit recommendations 20% implemented by the 31 st March 2021	IFR External Audit recommendations 20% implemented by the 31 st March 2022	
		Implementation of LHWP Zoning Plan (C1315 – Land Surveys and Development of Layout Plans for Katse and Mohale Catchment) first phase completed by the 31 st March 2020	Implementation of LHWP Zoning Plan (C1315) second phase completed by the 31 st March 2021	Implementation of LHWP Zoning Plan (C1315) third phase completed by the 31 st March 2022	
		Socio-economic and Epidemiology Study Upstream of Phase I Structures of the LHWP (C1336) completed by the 31 st March 2020	Adopted study recommendations implemented by the 31 st March 2021	Adopted study recommendations implemented by the 31 st March 2022	
3.2 To ensure that the standard of living of the communities affected by the Phase II LHWP is either maintained or raised above pre-project levels (DM- PHASE II)	3.2.1 Implementation of Resettlement and Action Plan (RAP) 100% complete by the 31 st March 2022	Construction of Resettlement Housing and WATSAN 10% complete by the 31 st March 2020	Construction of Resettlement Housing and WATSAN 90% complete by the 31 st March 2021	Construction of Resettlement Housing and WATSAN 100% Complete by the 31 st March 2022	DM Phase II
	3.2.2 Implementation of Livelihoods Improvement Programs as per schedule	Phase II Flagship Livelihoods Improvement Project(s) approved by the 31 st March 2020	Livelihoods Improvement Program implemented as per plan (above 75% adherence to the plan)	Livelihoods Improvement Program implemented as per plan (above 80% adherence to the plan)	DM Phase II
3.3 To promote sustainable management of biophysical environment within	3.3.1 Implementation of Environmental Programs as per schedule	Environmental planned programs implemented 90% complete by the 31 st March 2020	Environmental planned programs implemented 90% complete by the 31 st March 2021	Environmental planned programs implemented 90% complete by the 31 st March 2022	ENVB Manager

SMART OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGET OUTPUT 2019/20	TARGET OUTPUT 2020/21	TARGET OUTPUT 2021/22	RESPONSIBLE
Phase I of LHWP area (DM- SDE)					
3.4 To plan and implement LHWP Phase II using internationally accepted best practices (DM- PHASE II)	3.4.1 Compliance to Social and Environmental Management Plan (EMP) for Phase II Project and the RoD Conditions	Above 85% compliance attained	Above 90% compliance attained	Above 95% compliance attained	DM Phase II
KFA 4: To enable effective and efficient support services to deliver on organisational objectives					CE
4.1 To enable an efficient, effective and fully capacitated Organisation (CE)	4.1.1 Planned support initiatives 100% complete by the 31 st March 2022	Achieved corporate score above 300	Achieved corporate score above 320	Achieved corporate score above 330	CE

9.0 Risk Management

Risk: risks identification was done after the development of the 2019/20 Corporate Business Plan which implements the third year of the 2017-2020 Strategic Plan. Furthermore, the 2018/19 Corporate Risk register was revised since the review is done bi-annually. The identified risks were incorporated into the revised 2018/19 Corporate Risk Register, resulting in the up-to-date 2018/19 Corporate risk Register. The major risk towards implementation of the Strategic Plan is the potential for low performance by the LHDA on critical areas such as implementation of Phase II; operation and maintenance of existing infrastructure; management of environment; disbursement of compensations; as well as resolution of complaints.

Impact: Failure to improve performance with regard to implementation of Phase II; operation and maintenance of existing infrastructure; and management of environment, may ultimately result in failure to deliver water to RSA timely while failure to disburse compensations and resolve complaints may taint the LHDA's image.

Mitigation: the up-to-date 2018/19 Corporate Risk Register, that provides for mitigation measures, was developed and is monitored on monthly basis and progress reports are produced on monthly and bi-monthly basis.