



## EVALUATION OF THE EUROPEAN UNION'S CO-OPERATION WITH LESOTHO

-----

### SYNTHESIS OF THE MAIN CONCLUSIONS AND RECOMMENDATIONS

#### Introduction

The evaluation of the European Union's co-operation with Lesotho (2008-2013) has been followed by a Reference Group and chaired by the Evaluation Unit. The Reference Group was constituted of members of all services of the European Commission and the EEAS, the EU Delegation to Lesotho (EUD) and the Embassy of Lesotho in Belgium.

#### Main conclusions:

##### *Conclusions on strategy relevance:*

The evaluation concluded that the **European Union's engagement with Lesotho was appropriate to the geopolitical, post apartheid, context of the mid 1990s** when relations between Lesotho and South Africa were difficult: the EU followed Lesotho's 'isolationist' stand and adopted a purely country-based development cooperation approach. **More recently, the changed context provides a unique opportunity to set a new direction for EU engagement** (*positive shifts perceived in the regional political economy; the EU Delegation being one of the few donors present in Lesotho and the only EU representative as from 2015 can have more visibility and political leverage; new political role and new responsibilities of the EU since the Lisbon Treaty*).

In the absence of a suitable regional cooperation instrument, the **EU's current approach to support Lesotho via the national envelope has not been able to adequately address Lesotho's specific developmental challenges, nor take into account its unique position within the region, or the relationship with South Africa**. The EU's regional programme supported economic and trade integration that could but yield very limited benefits to Lesotho, whilst support to other areas of regional cooperation (such as regional approaches to the HIV pandemic, the youth unemployment problem, food security) might have been of more interest to Lesotho. What is more, the EU's country programme did not address the challenges of private sector development and trade, which, if unlocked, carry great potential for Lesotho to spur its development with the very large South African market easily accessible. **There is keen awareness within South Africa, Southern African Custom Union and the EU Delegations of existing constraints and a willingness to find appropriate solutions.**

**The programming of country cooperation responded to needs but could have taken better account of local and sector priorities, constraints and experience:** Government priorities and capacities, sector developments, Delegation resources, local conditions for aid

effectiveness, lessons from past cooperation experience had little influence over the choice of aid modalities and instruments. **The choice of sectors and instruments was heavily influenced by policy directions from headquarters.**

*Conclusions on outcomes, impacts and sustainability:*

**The weaknesses of public administration in Lesotho have overshadowed the potential effectiveness and sustainability of EU aid.** The Government has been the main vehicle for EU aid implementation but has been challenged to implement its own policies and reach its own targets. The main constraint to effective policy implementation has been the inability of the public service to function in an efficient and effective manner due to its high degree of politicisation. Lesotho suffers from the fact that neither the Parliament, nor the civil society organisations nor the general population are able to hold the Government accountable for its actions: **the overall lack of accountability of the public service undermines the effectiveness of the services it delivers.**

**Regarding social protection, EU support has been instrumental in shaping the national social protection system,** which was built on the experience of the Child Grant Programme, then taken over by the Government and expanded to national level. **The effectiveness and sustainability of the Child Grant Programme were not entirely ensured when it was transferred to the Government,** as key decisions still needed to be taken regarding issues such as the coverage (census or targeted form) and frequency of updating of the NISSA, the introduction of checks and balances, cash transfer delivery mechanisms and the choice of supply-side measures to ensure effectiveness. **Altogether, the Child Grant Program has been an excellent source of learning, and contributed to the development of good practice both within the OECD/DAC countries and the Cash Community of Practice.**

The EU played a key role in the water sector through its long-term involvement. **Through the 9<sup>th</sup> European Development Fund (EDF) projects, the EU contributed to improved water service delivery and environmental protection. The effectiveness of its budget support was limited** in terms of improved planning, monitoring and service delivery, but contributed strongly **to better sector coordination.**

**The implementation of budget support was triggered by the macro-fiscal framework** (sudden temporary deterioration in Lesotho's otherwise structurally sound fiscal position). **The provision of budget support took insufficient account of the weaknesses of public administration which jeopardised the successful implementation of public policy, and thus of budget support** as illustrated by the steady deterioration of Government performance in reaching its development targets over the period (with a slight improvement in 2013). Similarly, **the effectiveness and sustainability of technical assistance support in public financial management (part of budget support) were undermined by the weakness of public administration in general and the management of public human resources in particular.**

**The important role of the non-state actors,** both as service providers and as vehicles for improved accountability and governance, **has been recognised by the EU and support to strengthen their capacities has been provided. However, the sustainability of non-State actors as service providers has not yet been ensured.**

*Conclusion on Efficiency of implementation and financing modalities:*

The evaluation concluded that **staffing levels and expertise of the Delegation were not attuned to the management requirements of its workload and the extent of its**

**involvement**, and this worsened with the added responsibility for political dialogue. Nevertheless, current circumstances could turn the Lesotho Delegation into an example of what the EU could contribute with its new political weight if the Delegation were to be properly staffed.

## **Recommendations**

### ***Recommendations at the strategic level:***

**Future EU cooperation approach should combine national and sub-regional development cooperation, with a proactive political dialogue, including with South Africa, and facilitation of private sector investment and trade with South Africa.**

The EU should make use of the current momentum to **place political dialogue on civil service reform at the forefront of cooperation, and reassess the priorities of the cooperation portfolio.**

**The continuation and future use of budget support** in Lesotho should be reconsidered in light of the Government's past lack of progress in implementing its own policies.

### ***Recommendations at the sector level:***

The EU should **support the fight against the spread of HIV/AIDS in Lesotho through lobbying for better prevention.**

Regarding social protection, measures ought to be put in place to **ensure that the social protection system which the EU helped set up**, then transferred to Government of Lesotho, is **effective and sustainable.**

The EU should **continue supporting the water sector with both project and, should conditions be right, sector-wide funding.**

The EU should **assess the added value of continuing technical assistance provision** in a context where the civil service lacks a human resource management strategy and where the public administration is extremely weak due to politicisation.

Regarding support to non-State actors, it is recommended that the EU **continues to fund non-state actors** in Lesotho, whilst continuing to gradually build their capacity.

### ***Cross-cutting recommendations on management:***

The final recommendation concerns the **staffing resources in the Delegation. These should be better aligned to meet the challenges of Lesotho and the EU's ambition in Lesotho.** Staffing resources are based on worldwide benchmarks and amounts disbursed and number/type of contracts. They need to take into account the Delegation's unique position and its ambition to deepen sub-regional cooperation.