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ANNEX

to the Commission Decision amending Commission Decision C(2015)799 of 17.2.2015 on the Annual Action Programme 2014 in favour of the Kingdom of Lesotho to be financed from the European Development Fund Bridging Facility

Action Document for Strengthening the Governance of Social Protection in Lesotho:

1. Title/basic act/ CRIS number	Strengthening Governance of Social Protection in Lesotho: Building an Integrated Social Protection System CRIS number: FED/2013/025-008 financed under the EDF Bridging Facility and the 11 th European Development Fund			
2. Zone benefiting from the action/location	Lesotho The action shall be carried out at the following location: All ten districts of Lesotho			
3. Programming document	11 th EDF National Indicative Programme (2014-2020) for cooperation between the Kingdom of Lesotho and the European Union			
4. Sector of concentration/ thematic area	Governance	DEV. Aid: YES		
5. Amounts concerned	Total estimated cost: EUR 16 000 000 - Total amount of EDF contribution: EUR 16 000 000 , of which EUR 8 000 000 from the European Development Fund Bridging Facility and EUR 8 000 000 from the 11 th European Development Fund			
6. Aid modality(ies) and implementation modality(ies)	Project modality Indirect management – Pagoda delegated agreement			
7 a) DAC code(s)	16010 – Social/welfare services			
b) Main Delivery Channel	UNICEF - 41122			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	x	<input type="checkbox"/>
	Aid to environment	x	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	x	<input type="checkbox"/>
	Trade Development	x	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	x	<input type="checkbox"/>	<input type="checkbox"/>

	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	x	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	x	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagship	N/A - The action will contribute to citizens' empowerment and participation in governance, targeting both rural and urban areas..			
10. SDGs	SDG 1 End poverty in all its forms SDG 5 Achieve gender equality and empower women and girls SDG 10 Reduce Inequality within and among countries			

SUMMARY

By strengthening a comprehensive and sustainable Social Protection system, the programme has the overall objective of contributing to the goals of Lesotho's long-term vision (Vision 2020) and National Strategic Development Plan (NSDP) of preventing and reducing the economic and social vulnerabilities of the most disadvantaged segments of the society.

The objective of the existing intervention is to increase the efficiency and cost-effectiveness of Government's measures for social protection and to ensure equitable treatment and universal coverage of Lesotho's most vulnerable segments of society. One of the crucial factors of success is the integration of at least three existing social assistance programmes into the National Information System for Social Assistance (NISSA). The aim is to maximise the beneficial impact of all social protection measures carried out by Government, its development partners and civil society organisations. NISSA is a nationwide single integrated web-based database in which socio-economic information on all households is stored to identify vulnerable population, and is considered as the pillar of the social protection strategy as it provides the country with a single national registry. NISSA is the most efficient instrument to target beneficiaries as per their vulnerability. It can help eliminate duplication of grant disbursements, ensure the integrity and security of grant recipient records, provide a single source of access for targeting the poor and needy; and enable economies of scale by providing other stakeholders including civil society with a robust targeting mechanism for social protection interventions.

The EU in partnership with UNICEF has supported the Ministry of social Development (MoSD) since 2009 to design and implement a functional NISSA to efficiently and effectively manage the social safety nets programmes. To date, NISSA has registered about 235,000 households under EDF 9, EDF 10 and EDF 11.

The specific objective of the project is to establish a social protection system that ensures the most economic and socially vulnerable segments of Lesotho's population are provided with a level of protection that is sustainable and addresses poverty, deprivation, vulnerability and inequality throughout the life course in a comprehensive and holistic manner.

The current budget is not sufficient to cover the integration of the remaining households into NISSA. In addition, it was assessed that NISSA will also require technical support (human resource and capacity development) and decentralisation, including computerised infrastructure and capacity building at each of the 10 districts and 65 community councils. The NISSA expansion cost is therefore totalling EUR 12 426 400, which includes the recertification of older records that were collected using the old NISSA methodology. In August 2017, a EUR 1 600 000 addendum was signed to increase the existing Financing Agreement. This first amendment financed the rolling out of the first two phases of

expansion for a total of about 120,000 households. The present amendment 2 aims at covering for the shortfall of EUR 6 400 000 to finalise NISSA expansion, old NISSA data recertification, technical assistance and decentralisation. This additional funding will contribute to the setup of a decentralised NISSA, where the updating of the system will be done by district staff. This project has invested heavily on capacity development of the Ministry of Social Development so that at the end it will be able to coordinate, lead and implement the national social protection strategy on its own. Furthermore, the Ministry has already demonstrated strong commitment by taking the full responsibility of the costs of the child grant programme since 2013.

2. RATIONALE AND CONTEXT

2.1 Summary of the action and its objectives

This sub-section remains unchanged

2.2 Context

This sub-section remains unchanged

2.3 Lessons Learnt

This sub-section remains unchanged

2.4 Complementary actions

This sub-section remains unchanged

2.5 Donor Coordination

This sub-section remains unchanged

3. DETAILED DESCRIPTION

3.1 Objectives

This sub-section remains unchanged

3.2 Expected results and main activities

Expected result 1: *This result remains the same*

Expected result 2: *This result is modified to add the following:*

The decentralisation of NISSA will also ensure that data is maintained up-to-date by the Government at district and community level instead of this task being carried out by external contractors.

Expected result 3: *This result remains the same*

3.3 Risks and assumptions

The table in this section is modified as follows:

Main risks as identified in RMF	Risk Level (H/M/L)	Mitigation Measures
Political instability can lead to further loss of legitimacy of the government/state.	Medium Instability can lead to a breakdown of the current government	<ul style="list-style-type: none"> - Beyond the sphere of influence of the project. - Development partners and SADC aim to strengthen democratic practices in Lesotho - Supporting civil society and church leaders engaging with the political leadership - Grass root work of "community parliaments" being implemented with EDF 11 PISA and LCN projects
Social security and the protection of vulnerable elements of Lesotho society are not a priority for government policies and budgets.	Low Lack of commitment could lead to an inadequate level of budget appropriations for the Ministry of Social Development	- Since 2013, the Government of Lesotho has already taken over all benefit costs of the Child Grants Programme (CGP) and has demonstrated the willingness to build a comprehensive and integrated social protection system in Lesotho, in particular through the development and adoption of the National Social Protection Strategy.
Sectorial Risks	Risk Level (H/M/L)	Mitigation Measures
Lack of collaboration and weak coordination with line ministries can be a significant risk	Medium This could adversely affect effectiveness and efficiency of NISSA and its use as single registry.	<ul style="list-style-type: none"> - Intense efforts have been deployed in terms of coordination, advocacy and communication to involve all relevant line ministries at the early stage of expansion. The review of the targeting mechanism (Proxy Means Test), data collection approach and tools of NISSA, provided further evidence on responsibilities of the different ministries, and the way in which these can be linked to the national identity system. - High level meetings and field visits led by the Prime Minister, the Minister of Social Development, the EU Head of Delegation and UNICEF Representatives can help elevate the policy dialogue and priority of inter-ministerial coordination.
Weak leadership capacity of the Ministry of Social Development can be a high risk to establish NISSA as a single registry and to build an integrated social protection system.	Low to Medium In this Phase III of the EUs support to social protection, leadership is critical to bring and direct all relevant stakeholders sharing a common vision	The project's strategy, focusing on building the capacity of Ministry of Social Development to lead the government's vision of building a sustainable and integrated social protection system, is an important asset to address this risk. In addition, the existing social protection strategy has provided the Government of Lesotho with a clear vision on social Protection in the medium term and supports the ministry to lead and coordinate its implementation.

Assumptions for the Sector

- The extension of a single registry using a Management Information Systems (MIS), which unites different social protection interventions, creates conditions for improved targeting of the poorest and most vulnerable households. It further reduces operational costs, simplifies case management, reduces response time and minimises duplications of support.
- An integrated community development approach is established to support the local management system of social protection.
- The capacity building for the social protection system will not only be focused on the Department of Social Assistance, but will cover all other relevant departments within the Ministry involved in implementing this vision both at central and local levels (particularly Department of Planning, Department of Operation, Department in charge of vulnerable children and in charge of administration and finance and procurement),
- The project supports the extension of NISSA to ensure that: (i) the Ministry of Social Development and other relevant stakeholders (Bureau of Statistics, Ministry of Home Affairs) are enabled to manage the single registry and its continuous updates, (ii) the single registry is expanded to national coverage using evidence-based mechanisms, which promote impact and sustainability and (iii) the single registry/NISSA is used for improved targeting, planning and policy analysis by other government entities.

3.4 Cross-cutting Issues

This sub-section is modified to add the following paragraph:

A rights based approach (RBA) / principles such as universality, indivisibility and interdependence of rights, accountability and participation, will inform the entire work of the action. Following the principles, the intervention will identify the human rights claims of rights-holders (community people) and the corresponding human rights obligations of duty bearers, as well as the immediate underlying, and the structural causes of the non – realization of the rights; assess and strengthen the capacity of rights holders to claim their rights and of duty bearers to fulfil their obligations; and monitor and evaluate both outcomes and processes guided by the principles; and ensure the accountability between the rights holders and duty bearers strengthening the case management system.

Considering the deep-rooted and widespread gender disparity in all spheres of society, this action prioritizes gender equality as a cross-cutting issue. Among others, the action endeavours to mainstream gender equality through targeting women in the village assistance committees and gender-balance in the selection of the enumerators for the data collection and public sensitization.

Youth issues are also considered as major cross-cutting themes considering the fact that Lesotho has one of the highest unemployed youth populations in the world. Accordingly, empowerment of the youth will be prioritised when selecting the enumerators.

3.5 Stakeholders

This section is modified as follows:

At the government level, the main stakeholder is the Ministry of Social Development (MoSD) for whom the programme is a significant step in the implementation of the National Policy on

Social Development and the National Social Protection Strategy. Through their leadership and coordination, both at central and district level, the Departments of Social Assistance and of Planning are developing the institutional capacities needed for such a complex process as the integration of social assistance programmes. The Old Age Pension scheme, initially foreseen in the plans of an integrated social assistance programme, are not included for now because of some earlier resistance from the Ministry of Finance who is presently managing the programme. The involvement of the Ministry of Finance as well as Ministries currently responsible for the other life-course social assistance interventions will be secured.

At the decentralised level of government, the stakeholders are the district officials and community councils whose involvement will enhance their capacity to target vulnerable households and provide support to case management. The ultimate stakeholders and beneficiaries of the programme are the disadvantaged sections of Basotho society and in particular those households that consist primarily of vulnerable children and their care takers. The social protection coordination mechanism includes district level coordinating structures chaired by District Council Secretariats comprising district officials from relevant ministries and Civil Society Organisations (CSOs). Senior Child Welfare Officers (SCWOs) from the MoSD will act as committee secretaries. MoSD Offices at district level will act as focal points for coordination between district-level agencies and will provide information and referrals.

The key institutions in the sector in Lesotho are:

- Ministry of Social Development as leading and coordinating the sector
- Ministry of Finance (MoF), including the office of the National Authorising Officer (NAO)
- Ministry of Development Planning (MoDP)
- Ministry of Local Government and Chieftainship (MoLGC), local governments, chiefs and the local authorities
- Ministry of Health (MoH)
- Ministry of Education and Vocational Training (MoEVT)
- Ministry of Home Affairs (MoHA)
- Ministry of Labour (MoL)
- CSOs, Community Based Organisations and Faith Based Organisations, including those active in social development
- Other development partners active in the sector including the World Bank, Food Aid Organisation and World Food Programme

Private Sector and Civil Society: Chiefs and traditional leaders have responsibilities in relation to conflict resolution and land management, including rangelands and grazing permits, in cooperation with Councils. Political leaders (Parliamentarians and Councillors), as well as CSOs, are important stakeholders and potential change agents, especially in relation to community development at village level. CSOs implement income generation activities and promote public participation practices. Some CSOs are also active in natural resources' management, improved farming techniques, climate change adaptation, HIV/AIDS awareness, gender mainstreaming, etc. The Lesotho Council of NGOs (LCN) has the comparative advantage of leading on coordination and advocacy matters and is about to sign a four year EDF 11 grant to consolidate their ability to implement their mandate.

The final beneficiaries are the general population, with a particular focus on children and youth.

4. IMPLEMENTATION ISSUES

4.1 Financing Agreement

In order to implement this action, a Financing Agreement with the partner country, as referred to in Article 17 of Annex IV to the Cotonou Agreement, has been concluded on 9 September 2015 for an initial amount of EUR 8 000 000. A first amendment increased the budget by EUR 1 600 000 adopted by Commission Decision C(2017)5577 on 3.8.2017, the present amendment will increase the EU contribution by another EUR 6 400 000.

4.2 Indicative operational implementation period

The indicative operational implementation period of this amendment, during which the activities described in sections 3.2 and 4.3 will be carried out, is 108 months from the date of entry into force of the financing agreement, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements. The relevant Committee shall be informed of the extension of the operational implementation period within one month of that extension being granted.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of Regulation (EU) No 322/2015.

4.3 Implementation components and modules

Procurement (direct management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Mid-term and/or ex ante evaluation	Services	2	2nd Tri of 2018 3rd Tri of 2019

Indirect management with UNICEF

This point remains unchanged.

4.4 Scope of geographical eligibility for procurement and grants

This sub-section remains the same

4.5 Indicative Budget

Module	Amount in EUR
4.3.2. Indirect Management Delegation Agreement with UNICEF (including the provisions for Communication and Visibility)	15 800 000
4.3.1. Evaluation and audit	200 000
Total	16 000 000

4.6 Performance monitoring

This sub-section remains the same

4.7 Evaluation and audit

This sub-section remains the same

4.8 Communication and visibility

This sub-section remains the same

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY) ¹

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

	Results chain	Indicators	Baselines (2018)	Targets (2021)	Sources and means of verification	Assumptions
Overall objective: Impact	O1 - To assist the government to prevent and reduce the economic and social vulnerabilities of the most disadvantaged and socially excluded segments of the society.	Percentage of the population living under the poverty line.	57 % (HBS 2010)	Indicative Target as per the Government National Strategic Development Plan (NSDP)	BOS: Household Budget Survey, Continuous Multi-purpose survey. MOSD/UNICEF: 3rd Impact Evaluation. MOSD: single registry reports.	Continuation of the current economic situation. No change of government commitment and leadership on social protection.
Specific objective(s): Outcome(s)	SO – To support the establishment of A social protection system that ensures the most economic and socially vulnerable segments of Lesotho's population are provided with a level of protection	1. Percentage of the population, men and women, having access to predictable cash benefits in case of need.	64.6 % households currently in NISSA 38.5% of the extreme poor in NISSA receive CGP support, 58 % of which	100 %	MOSD Quarterly/Annual Report Single registry (currently called NISSA)/MIS Reports	MOSD established key departments for the coordination of social protection programmes.

¹ Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

		2. Number of social assistance programmes integrated under a unified framework	are female. 3 programmes partially integrated (targeting and enrolment) in 16 councils	3 programmes fully integrated (targeting, enrolment, payment and case management) country-wide	3rd CGP Impact Evaluation	Approval and adoption, by Government, of the National Social Protection Strategy to orient and guide Governments efforts towards a social protection system. Full collaboration of other Ministries and Government agencies.
Outcome 1	1. The MOSD, at all levels, leads, manages and implements a comprehensive, gender positive and integrated social protection system.	National institutional framework for coordination of SP in place and functional	Approved framework and three coordination committees at national level established and functional	Social Protection coordination committees at all levels functional as per the framework	Implementation plan reports.	National Social Protection Strategy is approved and coordination mechanisms are established across cabinet.
		1.b Number of districts being covered by an integrated social assistance system.	4 districts (3 programmes partially integrated (targeting and enrolment)	All 10 districts of Lesotho (3 programmes fully integrated	Single registry currently called NISSA/MIS Reports.	

				(targeting, enrolment, payment and case management) country-wide.		
Outputs	1.1 Coordination Mechanisms for social protection in place and operational.	# of institutions participating in the Coordination Mechanism Operational M&E system for social protection services in place (Yes/No)	13 Ministries at central level. Draft M&E Framework	13 Ministries at central level, all districts including NGOs. Approved M&E framework	Minutes for coordination committees meetings.	
	1.2. Institutional and operational capacities provided to the MOSD at central and district level.	% of MOSD staff, men and women, who has received trainings at central and district level	67 % of the positions have been filled as per Ministerial Strategic Plan and about additional posts have been approved for filling already.	Fill 95 % of all positions as per the revised organogram and respect the principle of gender equality and equal opportunities. Implementa	MOSD Staffing Establishment List.	

		% of Tools and guidelines updated and in place	Evaluation recommendations available	tion of recommendation		
	1.3. The Integrated Social Safety Net (ISSN) pilot is completed, documented and scaled up.	# of Community Councils implementing the ISSN	16 CC are implementing ISSNs (partially) programmes	64 CCs implement ISSNs fully	Evaluation reports.	
Outcome 2	2. A single national registry is institutionalised for use in management and monitoring of social assistance.	1.a Number of governmental and non-governmental programmes using the single registry.	1 programme fully and two programmes partially used NISSA	3 programmes fully used NISSA (targeting, enrolment, payment and case management country-wide.	NISSA/MIS Reports	NISSA continues to be the database at the core of a single registry.
Outputs	2.1. NISSA Unit operational and its coordination capacities are strengthened to manage the system	Number of people, men and women, capacitated to manage and/or make use of the NISSA. Number of institutions/social assistance programs that share their database with the NISSA registry	5 officers can efficiently use NISSA at national level Three programmes partially	80 officers including 72 auxiliary social worker accessing NISSA Three programmes fully	MOSD Quarterly/Annual Report	

	2.2 NISSA is expanded to national coverage including the development of a strengthened system for updates	<p>Number of HHs registered in the single registry/NISSA</p> <p>Number of CCs covered by the NISSA system</p> <p>Case Management System for social assistance in place in all CCs covered by the ISSN.</p>	<p>235,000 HHs Or 1,034,768 individuals including 522,937 females (50.5 %)</p> <p>58</p> <p>CMS for CGP in place in 43 CCs</p>	<p>To be determined</p> <p>64 including recertification on 36 CCs</p> <p>CMS for ISSNs</p>	NISSA/MIS Reports	
Outcome 3	3. An integrated community development approach is established to support the local management system of social protection.	A Community development gender transformative model in place and tested for national roll out	The Community development model exists	At least 6 CCs have tested the CDM	Progress reports from contracted NGOs and MOSD	Collaboration and full commitment of MOLGC, MOH, MOET and others. Collaboration /partnerships with civil society.
Outputs	3.1. A Community development action plan linked to social assistance in place	Action plan formulated	Action Plan available	Implemented in 6 CCs	MOSD	
	3.2 community based interventions complementing social assistance services in place	Number of villages reached with complementary social assistance services	Around 250 villages (to be determined in the final report – Phase II).	At least 500 villages reached.	Progress reports from contracted NGOs and MOSD	

	3.3 A referral mechanism which functions through local structures is piloted and expanded.	Number of community councils implementing one stop shop(citizen service centres)	9 CCs with permanent structure and 64 CCs with outreach services	11 CCs with permanent structure and 64 CCs with outreach services	Progress reports from UNICEF	
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