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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX 2**

of the Commission Implementing Decision on the financing of the annual action plan in favour of the Kingdom of Lesotho for 2022

**Action Document for Equitable Lesotho**

**ANNUAL PLAN**

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plans/measures in the sense of Article 23 of NDICI-Global Europe Regulation.

## 1 SYNOPSIS

### 1.1 Action Summary Table

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	Equitable Lesotho CRIS number: NDICI AFRICA/2021/43707 OPSYS number: ACT-60796 / JAD.999922 Financed under the Neighbourhood, Development and International Cooperation Instrument ( <u>NDICI-Global Europe</u> )/ Overseas Association Decision/European Instrument for International Nuclear Safety Cooperation Regulation
<b>2. Team Europe Initiative</b>	No
<b>3. Zone benefiting from the action</b>	The action shall be carried out in the Kingdom of Lesotho
<b>4. Programming document</b>	Multi-Annual Indicative Programme 2021-2027
<b>5. Link with relevant MIP(s) objectives / expected results</b>	Specific Objective 1 – Enhanced political stability and trust in the political system Specific Objective 2 – Improved availability and use of disaggregated, quality, timely and reliable data to inform policy making
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	Priority Area 2 – Good governance, peaceful and just society, Other Social Infrastructure & Services
<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG (1 only): 1 – No Poverty Other significant SDGs (up to 9) and where appropriate, targets: SDG 2 – Zero Hunger SDG 3 – Good Health and Well-Being SDG 5 – Gender Equality SDG 10 – Reduced Inequalities SDG 16 – Peace, Just and Strong Institutions SDG 17 – Partnership for the Goals

<b>8 a) DAC code(s)</b>	16010 – Social protection – 75% 16062 – Statistical capacity building – 25%			
<b>8 b) Main Delivery Channel</b>	Multilateral organisations – 40000			
<b>9. Targets</b>	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>11. Internal markers and Tags:</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>
Digitalisation @		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
digital connectivity		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	/
digital governance		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
digital entrepreneurship		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
digital skills/literacy		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @ (methodology for marker and tagging under development)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Covid-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	Budget line(s) (article, item): BGUE-B2022-14.020122-C1-INTPA Total estimated cost: EUR 8 000 000 Total amount of EU budget contribution EUR 8 000 000			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing</b>	<b>Indirect management</b> with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.1. and 4.3.2 Additionally, part of the action will be implemented by the United Nations Children's Fund (UNICEF).			

## 1.2 Summary of the Action

The European Union's cooperation strategy with Lesotho, the Multi-Annual Indicative Programme 2021-2027, focusses on two priority areas: (1) green and resilient economy and (2) good governance, peaceful and just society. Under the first priority area, EU cooperation aims to facilitate Lesotho's move towards a circular economy that becomes increasingly sustainable and self-sufficient with regard to energy generation and consumption and that provides affordable access for all to energy, water and sanitation. Under the second priority area, EU cooperation supports the process of national reforms undertaken by Lesotho and the improvement of service delivery to the citizenry, particularly social protection.

*Equitable Lesotho* will contribute to the second priority area by reducing multidimensional poverty in Lesotho. Its specific objectives are to improve the well-being and development for children under five, enhance the effectiveness of social assistance, and ensure that policies and programmes designed and implemented by the government and international partners are based on quality data and statistics and address the needs of those living in the most vulnerable situations. It will contribute to the overall strategy to 'Leave no Mosotho behind', informing all actions under the MIP.

The action foresees two components. The first component will strengthen social assistance and, following a "cash plus" approach, help link cash transfers with additional services such as access to energy, education on nutrition and health, or birth registration. It will also support the Government of Lesotho in the management and updating of the National Information System for Social Assistance (NISSA), which has been established with EU funding under the European Development Fund. Innovative and real-time solutions will be supported to update and maintain the system's information.

The second component will support the National Statistical System (NSS), which includes all institutions involved in the development of data and statistics, mainly the Bureau of Statistics (BoS). In the absence of up-to-date legal

frameworks and coordination mechanisms inside the NSS, the programme will provide support to legal reviews and the establishment of a coordination mechanism. Further, the programme focuses on the mainstreaming of gender and disability in the development of all data and statistics developed in the NSS in Lesotho.

*Equitable Lesotho* is aligned with the Sustainable Development Goals (SDGs) and particularly SDG 1 (No Poverty) as well as the National Strategic Development Plan II and the National Social Protection Strategy. It also advances the objectives of the EU Gender Action Plan III. By strengthening the link between social protection and access to services, including energy access, it indirectly contributes to the Green Deal Team Europe Initiative.

## 2 RATIONALE

### 2.1 Context

The Kingdom of Lesotho is a mountainous country in Southern Africa, with a unique geography as it is entirely surrounded by South Africa. Around 80% of Lesotho's land is more than 1 800 m above sea level with an average elevation of 2 161 metres. Lesotho is included in the list of least-developed countries (LDCs)<sup>1</sup> with a per capita gross national income of USD 1,100<sup>2</sup> (current, 2020). It is a small and largely rural country of about 2.1 million people, of whom more than 99% are ethnic Basotho. About 60% of Basotho live in the districts of Berea, Leribe, Maseru, and Mafeteng, in the arable lowlands. The remaining population lives in six districts that include the Senqu River Valley and comparatively more mountainous lands. Most people live in rural areas, but the share of the urban population has increased substantially, from 14% in 1990 to 29% in 2020<sup>3</sup>. Population growth has slowed since the early 1990s, from 2% a year to slightly more than 1%<sup>4</sup>.

Lesotho has suffered from political instability and internal conflicts, ever since gaining independence from the United Kingdom in October 1966. This has negatively impacted on both its socio-economic development and its ability to profit from regional economic integration. Today, Lesotho remains the only least developed country in the Southern African Customs Union (SACU). It is confronted with a multitude of developmental challenges. Poverty is widespread and the level of inequality is one of the highest in the world. Social services delivery to citizens and economic activities are insufficient to lift the country out of poverty. There has been little progress despite the substantial inflow of international assistance over the decades since independence. Landlocked, food-insecure, and energy-dependant, Lesotho remains also extremely vulnerable to external shocks. Ranked as 124<sup>th</sup> out of 182 countries, it shows decreasing climate readiness and increased vulnerability over the last ten years<sup>5</sup>. Along these long lasting trends, the Covid-19 pandemic has further deteriorated and already fragile economy, largely reliant on foreign remittances and the export of primary products.

Natural resources, including renewables, exist in abundance in Lesotho and if used in a sustainable and equitable manner have the potential to transform the country's economy into one that is green, circular and resilient. Lesotho is endowed with a great potential for renewable energy generation but it currently imports the majority of its electricity. Lesotho supplies a third of water to the economic powerhouses of Gauteng (the region of Johannesburg and Pretoria) and yet less than a third of its population has access to safely managed drinking water. Improved access to water and electricity is expected to unlock commercial opportunities and introduce trade possibilities between Lesotho, South Africa and the wider region, resulting in jobs and socio-economic development. At the same time, in order to overcome political instability and establish a conducive environment for this vision to be realised, Lesotho has embarked on national reforms in seven areas: constitutional, parliamentary, security sector, public sector, judiciary, economic and media reforms.

Against this backdrop, the Multi-Annual Indicative Programme (MIP) 2021-2027 for Lesotho focusses on two priority areas: (1) green and resilient economy – contributing to the Green Deal Team Europe Initiative for Lesotho and (2) good governance, peaceful and just society. Under the first priority area, EU cooperation aims to facilitate

<sup>1</sup> [https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/Ldc\\_list.pdf](https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/Ldc_list.pdf)

<sup>2</sup> <https://data.worldbank.org/indicator/NY.GNP.PCAP.CD?locations=LS>

<sup>3</sup> <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=LS>

<sup>4</sup> <https://data.worldbank.org/indicator/SP.POP.GROW?locations=LS>

<sup>5</sup> ND Global Adaptation Index, 2019

Lesotho's move towards a circular economy that becomes increasingly sustainable and self-sufficient with regard to energy generation and consumption and that provides affordable access for all to energy, water and sanitation. Under the second priority area, EU cooperation will support the process of national reforms undertaken by Lesotho, and efforts to improve service delivery to the citizenry, particularly social protection.

The MIP is fully aligned with Lesotho's second five-year National Strategic Development Plan – Phase 2 (NSDP II). The NSDP II consists of four key priority areas: (1) Enhancing Inclusive and Sustainable Economic Growth and Private Sector-led Job Creation, (2) Strengthening Human Capital, (3) Building Enabling Infrastructure, and (4) Strengthening National Governance and Accountability Systems. In terms of policy alignment, the policies set out in the Plan are consistent with the United Nation's 2030 Sustainable Development Goals (SDGs) and the African Union Agenda 2063. Furthermore, the MIP is aligned with EU external political priorities and puts focus on key challenges related to environment and climate change, such the European Green Deal<sup>6</sup> and the Global Gateway<sup>7</sup>.

With regard to the social protection sector, between 2002 and 2017, the poverty rate in Lesotho declined by 7% points from 56.6% to 49.7%, and the extreme poverty rate by 10% from 34.1 to 24.1. In the same period, the equality in Lesotho also improved, with a Gini coefficient that decreased from 51.6 to 44.9 points. Social protection, and in particular social assistance, significantly contributed to these positive trends. However, this trend is jeopardised by the socio-economic impact of the pandemic. In 2020/21, Lesotho spent 8.4% of the GDP on social protection, of which 3.2% of GDP on core social assistance programmes, 3.6% on complementary programmes and 1.6% on social security for public servants. Almost 80% of the budget for core social assistance programmes is targeted to address poverty among elderly through the Old Age Pension programme, while less than 9% is allocated to the Child Grant. More than 75% of the budget for complementary programmes is allocated to the Tertiary Bursary, while the bursary currently benefits better-off students and has no proven impact on reduction of poverty or inequality.

Lesotho ratified the UN Convention of the Rights of Persons with disabilities (CRPD) in 2008, in 2011 a National Disability Policy was introduced and in 2019 Disability Equity Bill and National Disability Mainstreaming Plan for Lesotho.

Lesotho developed its first strategic framework for social protection in 2014. The National Social Protection Strategy (NSPS I)<sup>8</sup> focuses predominantly on protective measures through core social assistance programmes that provide relief for poor and vulnerable households. Under the NSPS I, operational systems have improved due to enhanced integration and harmonisation between social assistance programmes and expansion of the National Information System for Social Assistance (NISSA) as a poverty-targeting tool. With support from the EU and UNICEF, Lesotho is currently developing a new strategy (NSPS II) with a vision until 2025. The strategy, to which this action is aligned, recognises the need to proactively link social protection mechanisms to the provision of other essential services, such as nutrition, education, access to energy services, to prevent poverty and inequality, and to continue the effort to better target social protection mechanisms towards those who are most in need, while supporting the uptake of digital means.

## 2.2 Problem Analysis

Short problem analysis (Social protection):

Between 2002 and 2017, the poverty rate in Lesotho declined by 7% points from 56.6% to 49.7%, and the extreme poverty rate by 10% from 34.1 to 24.1. In the same period, the equality in Lesotho also improved, with a Gini coefficient that decreased from 51.9 to 44.6 points. Social protection, and in particular social assistance, significantly contributed to these positive trends. However, this trend is jeopardised by the socio-economic impact of the pandemic.

Half of Lesotho's population (49.7%) lives below the national poverty line (LSL 648.88/ EUR 36 per adult per month) and around one quarter (24.1%) lives in extreme poverty<sup>9</sup>. Poverty is geographically significantly divided with 80% of those living in poverty in rural areas. Additionally, there is a gender disparity. Female-headed

<sup>6</sup> COM/2019/640 final

<sup>7</sup> JOIN(2021)30 final

<sup>8</sup> <https://www.social-protection.org/gimi/gess/RessourcePDF.action?ressource.ressourceId=50699>

<sup>9</sup> <https://openknowledge.worldbank.org/handle/10986/33030>

households have a 10 percentage-point higher poverty rate than male-headed households. Concerning age, children, who make up 39% of the population, are the group most at risk of living in poverty. Among children, aged 6-14 year the poverty rate is 60.9% and 48% for children aged 15-17. According to the 2021 Multidimensional Child Poverty Report, children between 0-23 months are most deprived. 68.8% in the age bracket are identified as multidimensional poor. In the next older age bracket 24-59 months 44.2% experience multidimensional poverty.

The government of Lesotho has established a variety of social support programmes with some specifically targeting children (e.g. Child Grant Programme). However, birth registration is a prerequisite to benefit from these programmes. The majority of children under the age of six years do not have birth certificates. In addition, one third of children are estimated to be stunted and 40.2% of children under the age of two do not have adequate meal frequency. 1 in 10 children have some form of disability, estimated by UNICEF<sup>10</sup>. According to the World Bank, less than half of the households in Lesotho have access to electricity. The lack of access to electricity disproportionately affects children. Around 60% of children under the age of six years live in households lacking electricity connectivity<sup>11</sup>.

Over the past years the EU and UNICEF have funded social protection interventions supporting the development of the National Information System for Social Assistance (NISSA). The database is used to identify beneficiaries for social protection programmes. However, to ensure this continues to be a relevant tool to target social assistance in a progressive and effective way, the database needs 1) to be updated in a sustainable manner; 2) to integrate both rural and urban beneficiaries and 3) to foresee an online access to the NISSA database for the Disaster Management Authority (DMA) and relevant partners providing support.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

- The **Ministry of Social Development** (duty bearer) manages a variety of social protection programmes. It is the Ministry that benefitted from support in the past. Additionally, the Ministry manages National Information System on Social Assistance (NISSA), a comprehensive social registry.
- The **Ministry of Home Affairs** (duty bearer) can take the lead in a partnership to develop user-friendly, digital methods for birth registration.
- The **Ministry of Health** (duty bearer) can lead in the area of nutrition and coordinate with other social protection programmes (e.g. Community Kitchens funded by the World Bank).
- The **Ministry of Water** (duty bearer) is responsible for water and sanitation policy and for the provision of direction on water resources management and utilization.
- The **Ministry of Energy and Meteorology** (duty bearer), and particularly the Rural Electrification Unit responsible for improving access to energy services.
- **Civil Society Organisations** as representatives of rights-holders (persons), social enterprises, and private sector operators that are involved in the provision of services in marginalised areas.

Short problem analysis (Statistical capacity):

First, while the Bureau of Statistics (BoS) has the central role and mandate in the National Statistics System (NSS), it is currently not well positioned to deliver on its mandate, partially due to the absence of an updated legal framework. There is also a lack of established coordination, consultation and collaboration systems between the BoS and other stakeholders. Second, the NSS, in form of the BoS, lacks adequate infrastructure and human resources to produce quality statistics. Third, the NSS in Lesotho is marked by significant data gaps. These data gaps are shown in the effort to report on progress and the status of the National Strategic Development Plan II (NSDP II) and the Agenda 2030. Out of the 180 indicators of the NSDP II, data is only available for 113 (63%). Out of the 152 SDG indicators, to which Lesotho has committed to report on, only 101 (66%) are available. Fourth, the Government of Lesotho identifies gender equality as a development priority. Nevertheless, recognition and appreciation of gender

<sup>10</sup> <https://www.unicef.org/press-releases/fact-sheet-worlds-nearly-240-million-children-living-disabilities-are-being-denied>

<sup>11</sup> <https://mics-surveys>

[prod.s3.amazonaws.com/MICS6/Eastern%20and%20Southern%20Africa/Lesotho/2018/Snapshots/Lesotho%202018%20MICS%20Statistical%20Snapshots\\_English.pdf](https://prod.s3.amazonaws.com/MICS6/Eastern%20and%20Southern%20Africa/Lesotho/2018/Snapshots/Lesotho%202018%20MICS%20Statistical%20Snapshots_English.pdf)

mainstreaming remains relatively low. Out of 71 gender indicators that have been identified in the NSDS II, only 15 are gender relevant. Only 33.6% of indicators needed to monitor the SDGs from a gender perspective were available, with gaps in key areas, in particular: key labour market indicators, such as the unemployment rate and gender pay gaps. In addition, many areas – such as gender and poverty, physical and sexual harassment, women’s access to assets (including land), and gender and the environment – lack comparable methodologies for regular monitoring<sup>12</sup>.

Currently, the shortcoming in disaggregated data makes it challenging for social support programs to reach out to the most vulnerable groups including persons with disabilities. The government census and the NISSA have made efforts to inclusive data collection since 2016, however, support is needed for more systematic data collection. Lastly, alongside a need to produce data and statistics there is need for users to understand and benefit from data.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

- The **Bureau of Statistics** (duty bearer), established by the Lesotho Bureau of Statistics Act 2001 with the mandate to undertake censuses and major household/enterprise surveys.
- **Ministries, Departments and Agencies of the Government of Lesotho** (duty bearer) that are involved in the development of statistics and data/ National Statistics System in their respective areas of responsibility.
- **Civil Society Organisations** involved in research, advocacy and accountability and as representatives of rights-holders (people) voices.

### 3 DESCRIPTION OF THE ACTION

#### 3.1 Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to reduce multidimensional poverty dimensions of the most vulnerable population in Lesotho.

The Specific(s) Objective(s) (Outcomes) of this action are to:

1. Improved access to basic services, including, birth registration, and sustainable energy solutions by women and children
2. Enhanced effective delivery of social assistance systems for all beneficiaries
3. Increased use of gender-sensitive quality data and statistics by the government and the international partners in policies and programmes' design

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

- 1.1 Improved expansion of birth registration services;
- 1.2 Increased coverage of nutrition sensitive services, including water in remote places, for children under five and communities
- 1.3 Increased energy solutions for households
- 2.1 Mobile or digital bank transfers enabled for social assistance beneficiaries, including the possibility for vertical (more money) and horizontal (more beneficiaries) increase in case of crisis
- 2.2 Improved scope of Real-Time Monitoring solutions related to National Information System on Social Assistance (NISSA) household and individual information, including disaggregation;

<sup>12</sup> <https://data.unwomen.org/country/lesotho>

- 3.1 Increased evidence to inform the revision of the National Statistics System
- 3.2 Improved national capacities to monitor and on national development programmes and the SDGs agenda
- 3.3 Improved capacities for protection and gender-mainstreaming and disability inclusion in data collection, analysis and dissemination.

## 3.2 Indicative Activities

### **Activities relating to Output 1.1:**

- Support to the Ministry of Home Affairs to develop software-based solutions to enhance birth registration in remote places

### **Activities relating to Output 1.2:**

- Awareness-raising and social and behaviour change communication activities to improve young child feeding (IYCF) and hygiene practices, coupled with improving access to clean water ensure child full cognitive and physical development for children under 5.

### **Activities relating to Output 1.3:**

- Installation of off- grid home-based renewable energy solutions to support to CGP beneficiary households in accessing renewable as well as increased cash transfer top-ups to support access to existing energy sources

### **Activities relating to Output 2.1:**

- Consolidation and enlargement of partnerships with mobile network operators and banks, in the development and usage of accessible digital payments to Social Assistance beneficiaries.

### **Activities relating to Output 2.2:**

- Support to the Government of Lesotho to design and implementation of NISSA updating models that use innovative and cost-effective solutions.

### **Activities relating to Output 3.1:**

- Support to review and update statistical legislation and create a National Statistical System coordination structure.

### **Activities relating to Output 3.2:**

- Build capacity and knowledge of relevant national staff in the National Statistical System to report on development programmes, agendas and SDGs.

### **Activities relating to Output 3.3:**

- Review and identify gender and disability data gaps and train relevant national staff in the National Statistical System to increase knowledge on gender and disability sensitive data collection tools are protection and gender-sensitive.

## 3.3 Mainstreaming

### **Environmental Protection & Climate Change**

#### **Outcomes of the SEA screening** (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

#### **Outcomes of the EIA (Environmental Impact Assessment) screening** (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

#### **Outcome of the CRA (Climate Risk Assessment) screening** (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment).

The action aims to integrate environmental and climate change issues, while the SEA screening concludes no need for further action. One focus of the action is to make access to electricity, through EU support, available to target households. The electricity access shall be made using renewable and/ or green energy sources. Further, improved



access to clean drinking water by children will reduce vulnerabilities to potential environmental and climate change risks.

### **Gender equality and empowerment of women and girls**

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the programme will contribute strongly to gender issues (GAP III, SDG 5). Under Specific Objective 1, the social protection component, the action aims to empower women and children. The intervention plans to reach this group and people living in the most vulnerable situations (such as single women lead households, persons with disabilities, etc.) with improved social assistance delivery (cash transfers), and access to other enabling services such as nutrition, energy access and birth registration. Women are the main care takers of vulnerable children. Further, under Specific Objective 2 the action aims to improve the rights and needs of women and girls by supporting the development and ultimately use of sex-disaggregated data. This will allow policymakers and development partners to better target their interventions in a gender responsive manner.

### **Human Rights**

The action adopts a human rights-based approach and includes support to applying all human rights, non-discrimination, transparency, participation, and accountability principles. For example, the experience of previous support to social protection interventions has demonstrated that a focus on children's needs has yielded positive results in meeting the rights of children.

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### **Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that the action will strongly contribute to the improvement of lives of persons with disability in Lesotho. People with severe disability constitute 3% of the overall population, while WHO estimates that approximately 15% of population suffers from some form of disability worldwide. While the NSPD II and policies directly target people with disabilities, they continue to face significant challenges and are exposed to a greater risk to be among the people living in the most vulnerable situations. Typically they are excluded from decision making and have limited employment opportunities. Especially children with disabilities face acute risks of exclusion. Covid-19 further enhanced the risks of exclusion. People with disabilities lacked inclusion in many of the exceptionally introduced social protection programmes. One major challenge for children with disabilities is to access birth registration, which ultimately excludes them from benefiting from social assistance programmes. The action will ensure that children with disabilities will have greater access to birth registration and therefore benefit from social assistance. In addition, the support to the National Statistics System will support the development of statistics targeted at people with disabilities. As a result this will allow policy makers and development partners to design policies and interventions directly benefiting people with disabilities.

### **Democracy**

The action aims to remove the socio-economic barriers that prevent a large section of the population in Lesotho from fully enjoying their formal rights. By ensuring that social protection and other public services deliver on the most marginalised people, this action will contribute to reinforcing people's trust in the institutions of democratic governance and prevent the rise of populist or authoritarian tendencies. In 2020, a survey among Basotho showed that 66% of respondents favoured the abolishment of elective democracy.

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### **Conflict sensitivity, peace and resilience**

The action aims to strengthen the resilience of households that are Child Grant recipients. Therefore, these households are among those living in the most vulnerable situations in Lesotho. The support to NISSA is based on past support to social protection. It also is part of the humanitarian-development- peace nexus. The system that is to be updated can be and has been used by ECHO supported interventions in the past.

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### **Disaster Risk Reduction**

The action will indirectly contribute to Disaster Risk Reduction. Building on previous social protection interventions the action aims to support to update NISSA. The system currently contains information of 477.563 households in Lesotho. Under the current action it is foreseen to continuously update this information. This information allows the Government of Lesotho and Development Partners to react swiftly with targeted action in case of disasters. For example, during the first year of the Covid-19 pandemic NISSA was used to identify households living in the most

vulnerable situations. These households were then supported with additional cash transfers. The strengthening and use of NISSA as a system to identify vulnerable households will help contribute to Disaster Risk Reduction. Thanks to the use of NISSA vulnerable households already receive cash transfers, which leads to a reduced vulnerability in cases of hazard. Additionally, the action's contribution to access to water/ sanitation and energy strengthens vulnerable households in preparation for potential hazards.

It is foreseen to include a Crisis Modifier in the contracts that will be drafted in support of the component strengthening social assistance. The Crisis modifier will allow the implementing partner to respond quickly and expand horizontally and vertically in cases of both minor and major crisis. Such an expansion can be activated based agreed emergency triggers.

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**Other considerations if relevant**

N/A

### 3.4 Risks and Lessons Learnt

<b>Category</b>	<b>Risks</b>	<b>Likelihood (High/ Medium/ Low)</b>	<b>Impact (High/ Medium/ Low)</b>	<b>Mitigating measures</b>
<b>Planning, Processes and Systems</b>	Governance in the Social Protection Sector lacks accountability	Medium	Medium	International and national civil society organisations will uphold accountability and reinforce the Government of Lesotho's responsibility towards the population, throughout out the programme.
<b>External environment</b>	Political, social and legal instability of the country.	Medium	High	Political dialogue and diplomacy by the EU and other development partners, including multilateral donors, underlining the negative repercussions of instability on development cooperation. Policy dialogues especially concerning the National Reforms, supported and financed by the EU.
<b>Planning, Processes and Systems</b>	Social security and the protection of those living in the most vulnerable situations are not a priority for government policies and budgets.	Low	High	The Government of Lesotho has demonstrated its interest in marking social assistance as a priority of its policy agenda. The National Strategic Development Plan II includes "Efficient Social Protection Programmes and Reduced Vulnerability" as Intermediate Outcome 2.4. The design of the action is in line with the Government's priorities.
<b>External environment</b>	Continuation and deterioration of the Covid-19 situation, undermining progress made in poverty reduction since 2000.	Medium	High	Covid-19 had a severe negative impact on the economy in Lesotho, resulting in worsening of the overall poverty statistics, most particular of children and households already living in poverty.  The EU will be ready to assess any potential impact and address it with

				adjustments of the programme and/ or additional support via ECHO.
<b>Planning, Processes and Systems</b>	A key challenge in the National Statistics System is the absence of coordination among key stakeholders, which may impact on the effectiveness of proposed activities	Low	Medium	The programme will assist beneficiary institutions to organise or improve coordination mechanisms, in relation to technical issues obstructing the smooth functioning of the National Statistics System.
<b>People and the Organisation</b>	Resistance to change in the coordination legal framework and structure of the National Statistical System by Governmental ministries and institutions	Low	Medium	The programme will closely involve relevant ministries and institutions at every stage of the programme implementation and will closely monitor the impact of changes in the legal framework. The programme design is in line with draft National Strategy for Development of Statistics II (to be approved by Cabinet in March 2022).

#### **Lessons Learnt:**

The action builds on the ongoing *Strengthening Governance of Social Protection in Lesotho: Building an Integrated Social Protection System* (EUR 21 300 000), implemented by UNICEF in partnership with the Ministry of Social Development until the end of 2022. The cornerstone of the programme is the NISSA database. Its development was launched in 2010, with EU support. NISSA represents a “mini census” of Lesotho with precious information on vulnerability and socio-economic indicators. It was first rolled out in rural areas and later in urban districts too. NISSA currently includes 477 563 households (2022 data) with the objective of covering all households, i.e. 540 000, by the end of 2022 under the 11<sup>th</sup> EDF-funded programme. In 2020, the *Mid-term Review* highlighted the challenge to sustain, manage and update the database after development partner funding ceases. The action directly addresses the Mid-term Review with Output 2. Further, the action aims to provide additional services, related to nutrition and access to electricity, so called cash-plus. The *World Bank Social Protection Sector Review 2021* in Lesotho showed how the child grant programme has positive impacts beyond immediate consumption. However, positive outcomes in relation to nutrition lag behind. Therefore, the action aims directly at nutrition, among others. Lastly, research, outside Lesotho, by UNICEF and other international development partners has shown the benefits of integrating cash transfers with other components. This has led to address non-financial structural barriers and improved child well-being.

In addition, the action builds on lessons learnt from the *Lesotho Data for Sustainable Development Project* funded by the EU under the 11<sup>th</sup> EDF (EUR 1 000 000) and implemented over 18 months (2016-2018) by the United Nations Development Programme (UNDP). The *Final Evaluation* in 2019 stated that the project was highly relevant to the needs of Lesotho to develop data and statistics. However, it was only moderately effective. According to the final evaluation, the resources and time allocated to the project did not match the ambitious objectives. This was partly due to contracting deadlines and financial envelopes that did allow for more resources or extended deadlines. The current action aligns its objectives to the available resources and planned timeframe. In addition, the evaluation recommended to enable the National Statistical System through revised legal frameworks and policies and to establish a coordination mechanism. These lessons learnt directly inform the design of this action.

### 3.5 The Intervention Logic

The underlying intervention logic for this action follows the assumption that stronger links between social interventions and an improved National Statistical System will lead to the reduction of poverty and establishment of more equality in Lesotho.

If the intended activities under section 3.2 are undertaken and the assumptions hold true, then the expansion of birth registration in remote places is improved (Output 1.1), children under the age of five are increasingly covered by nutrition sensitive services, including water, in remote areas (Output 1.2), and households will have an increased access to energy solutions (Output 1.3). If these outputs are delivered and the assumptions at the output level hold true then improved access to basic service, including birth registration and sustainable energy solutions by women and children will be achieved (Outcome 1). Also, if mobile or digital bank transfers for social assistance beneficiaries are enabled (Output 2.1) and real-time monitoring solutions related to NISSA household information are improved (Output 2.2) and the assumptions at the output level hold true then an enhanced effective delivery of social assistance systems for all beneficiaries will be achieved (Outcome 2). Lastly, if there is increased evidence to inform revision of the National Statistical System (Output 3.1) and if national capacities to monitor on national development programmes and the SDGs agenda are improved (output 3.2), as well as if the capacities for gender-mainstreaming in data collection, analysis and dissemination, and disability sensitive data, are improved (Output 3.3), and if the assumptions at the output level hold true then the government and international partners will increase the use of gender-sensitive and disability inclusive quality data and statistics in policies and programmes' design (Outcome 3).

If the above-described outcomes have been achieved and provided that assumptions at the outcome level hold true then multidimensional poverty dimensions of the most vulnerable population in Lesotho will be reduced (Impact).

### 3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
<b>Impact</b>	To reduce multidimensional poverty dimensions of the most vulnerable population in Lesotho	<p>1. Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions (SDG Indicators 2, 3, 5)</p> <p>2. Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, new-borns, work-injury victims and people living in poverty and in vulnerable situations (SDG Indicators 2, 3, 5)</p>	<p>1. 49.8%</p> <p>2 To be decided during formulation</p>	<p>1. 43.8%</p> <p>2 To be decided during formulation</p>	<p>1 Progress reports for the EU-funded intervention</p> <p>2 Progress reports for the EU-funded intervention</p>	<i>Not applicable</i>
<b>Outcome 1</b>	Improved access to basic services, including birth registration, and sustainable energy solutions by women and children.	<p>1.1 Number of new birth registrations obtained</p> <p>1.2 Number of women of reproductive age, adolescent girls and children under 5 reached by nutrition related interventions supported by the EU GEF 2.32 **</p> <p>1.3 Number of people with access to electricity with EU support through: (a) new access GEF 2.3 **</p> <p>1.4. Number of people with access to improved drinking water source and/or sanitation facility with EU support. GEF 2.37 (**)</p>	<p>1.1 (2019) 45%</p> <p>1.2 (2022) 0</p> <p>1.3 (2022) 0</p> <p>1.4 (2022) 0</p>	<p>1.1 (2026) 75%</p> <p>1.2 (2026) 8 000 (of which 6 000 are children under 5)</p> <p>1.3 (2026) 4.000 people</p> <p>1.4 (2026) 8.000</p>	<p>1.1 Ministry/agency administrative data</p> <p>1.2 Database of beneficiaries/participants maintained by the Intervention</p> <p>1.3 Database of beneficiaries/participants maintained by the Intervention</p> <p>1.4 Database of beneficiaries/participants maintained by the Intervention</p>	The ministries have the will and funding to continue to operate and expand birth registration, community kitchens. Energy prices and private sector landscape for energy access do not deteriorate significantly.

<b>Outcome 2</b>	Enhanced effective delivery of social assistance systems for all beneficiaries	<p>2.1 Percentage of benefits delivered through non-cash channels (ATMs, mobile money, banks), disaggregated by rural/urban, by sex, and by disability status</p> <p>2.2 Government-owned mechanism to update NISSA in place</p>	<p>2.1 (2022) 0.7%</p> <p>2.2 (2022) No</p>	<p>2.1 (2026) 40%</p> <p>2.2 (2026) Yes</p>	<p>2.1 Administrative data of the Ministry of Social Development</p> <p>2.2 Progress reports for the EU-funded intervention</p>	Ministry of Social Development and relevant government entities remains willing to transit to mobile payments and conduct NISSA update. Banks and mobile payment companies remain willing in the process.
<b>Outcome 3</b>	Increased use of gender-sensitive quality data and statistics by the government and the international partners in policies and programmes' design	3.1 Extent to which development of programmes, policies and laws are based on sex, age, rural/urban disaggregated data, credible and comparable data series	3.1 To be decided during formulation	3.1 To be decided during formulation	3.1 Partner Report based on scanning of new programmes, policies and laws drafted and approved Support to Statistics (PRESS)	Ministry of Development Planning, Bureau of Statistics and other MDAs are willing to establish coordination among themselves and standardise statistical development and usage
<b>Output 1 related to Outcome 1</b>	1.1 – Improved expansion of birth registration services in remote places	<p>1.1.1 Number of software-based solutions used to increase birth registration remote areas</p> <p>1.1.2 Percentage of CGP beneficiary children under 5 years with birth certificates, disaggregated by sex.</p>	<p>1.1.1 (2022) 0</p> <p>1.1.2 (2019) 40%</p>	<p>1.1.1 (2026) To be decided during formulation</p> <p>1.1.2 (2026) 70%</p>	<p>1.1.1 Progress reports for the EU-funded intervention</p> <p>1.1.2 Progress reports for the EU-funded intervention</p>	Ministry of Home Affairs remains willing to connect to the mechanism for remote

						birth registration
<b>Output 2 related to Outcome 1</b>	1.2 Increased coverage of nutrition sensitive services, including water in remote places, for children under five and communities	<p>1.2.1 Number of children under 5 years of age referred to the community kitchen with support of the EU-funded intervention, disaggregated by sex</p> <p>1.2.2 Number of children under 5 years of age with access to clean water sources with support of the EU-funded intervention disaggregated by sex</p>	<p>1.2.1 (2022) 0</p> <p>1.2.2 (2022) 0</p>	<p>1.2.1 (2026) 7.000</p> <p>1.2.2 (2023) To be decided during formulation</p>	<p>1.2.1 Progress reports for the EU-funded intervention</p> <p>1.2.2 Progress reports for the EU-funded intervention</p>	The ministries have the will and funding to continue to operate and expand birth registration, community kitchens.
<b>Output 3 related to Outcome 1</b>	1.3 – Increased energy solutions for households	1.3.1 Number of CGP beneficiary households with access to energy solutions with the support of UNICEF and EU-funded intervention	1.3.1 (2022) 0	1.3.1 (2026) 1.000	1.3.1 Database of beneficiaries/participants	Energy prices and private sector landscape for energy access do not deteriorate significantly.
<b>Output 1 related to Outcome 2</b>	2.1 –  Mobile or digital bank transfers enabled for social assistance beneficiaries	<p>2.1.1 Number of Social Assistance beneficiaries who received their cash transfers through mobile or digital bank payments with support of the EU-funded intervention disaggregated minimum by sex, and disability</p> <p>2.1.2. Number of banks/financial outlets that enable mobile or digital bank services for beneficiaries of social the protection system, with support of the EU-funded intervention</p>	<p>2.1.1 (2022) 804</p> <p>2.1.2 (2022) 0</p>	<p>2.1.1 (2026) 20.000</p> <p>2.1.2 (2026) To be decided during formulation</p>	2.1.1 Progress reports for the EU-funded intervention	Ministry of Social Development and relevant government entities remains willing to transit to mobile payments from current modalities. Banks and mobile payment



						companies remain willing in the process.
<b>Output 2 related to Outcome 2</b>	2.2 – Improved scope of Real-Time Monitoring solutions related to NISSA household information.	2.2.1 Percentage of NISSA household information updated through Real-Time Monitoring solutions with support of the EU-funded intervention	2.2.1 (2022) 0	2.2.1 (2026) 40%	2.2.1 Progress reports for the EU-funded intervention	Ministry of Social Development remains willing to conduct NISSA update.
<b>Output 1 related to Outcome 3</b>	3.1 –  Increased evidence to inform the revision of the National Statistics System	3.1.1. Number of recommendations issued with support of the intervention based on international best practices and standards to draft and review legal/policy frameworks that regulate the National Statistics System  3.1.2 Number of coordination platforms in the National Statistic System established and operationalised with the support of the EU-funded intervention	3.1.1 (2022) 0  3.1.2 (2022) 0	3.1.1 1 To be decided during formulation  3.1.2 1 To be decided during formulation	3.1.1 Progress reports for the EU-funded intervention  3.1.2 Text of laws and regulations	Ministry of Development Planning, Bureau of Statistics and other MDAs are willing to establish coordination among themselves based on a revised legal framework
<b>Output 2 related to Outcome 3</b>	3.2 – Improved national capacities to monitor and on national development programmes and the SDGs agenda	3.2.1  Number of activities (such as trainings and workshops) to build capacity of stakeholders in the National Statistics System	3.2.1 0 (2022)	3.2.1 To be decided during formulation	3.2.1 reports by the Bureau of Statistics, monitoring reports	Ministry of Development Planning, Bureau of Statistics and other MDAs are willing remain committed to report on developmental progress

<b>Output 3</b>  <b>related to Outcome 3</b>	3.3 – Improved capacities for gender-mainstreaming in data collection, analysis and dissemination	3..3.1 Number of persons trained in the National Statistics System with increased knowledge on gender-sensitive data systems and analysis (by sex and institution)	3.3.1 0 (2022)	3.3.1 To be decided during formulation	3.3.1 Reports by the Bureau of Statistics, monitoring reports based on pre and post training tests.	Ministry of Development Planning, Bureau of Statistics and other MDAs are willing to continue putting gender-mainstreaming at the core of their policies
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## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

#### 4.3.1 Indirect Management with a pillar assessed entity

A part of this action may be implemented in indirect management with the United Nations Children's Fund (UNICEF).

This implementation entails a contribution to Specific Objective 1 and 2 of the action: "Child well-being and development has improved for children under 5" and "Enhanced effectiveness of social assistance".

The envisaged entity has been selected using the following criteria:

The selected entity to carry out part of this action has to have extensive experience in Social Protection interventions in Lesotho. Its operational capacity has to be sufficient to successfully implement a component of this action.

Since 2005, and in collaboration with the EU Delegation, UNICEF has been providing the government of Lesotho with technical support to strengthen social protection, including system building starting in 2010, the definition, design and roll-out of the Child Grant Programme (CGP), and the creation and capacity development of the Ministry of Social Development (MoSD) in 2012. As a result, MoSD is today at the forefront of social assistance programmes implementation in Lesotho. The Ministry currently manages the Child Grant Programme (CGP), Public Assistance Programme (PA), and the Orphans and Vulnerable Children-Bursary. The National Information Systems on Social Assistance (NISSA) is at the foundation of the management of all social assistance programmes. NISSA currently contains information on 477,563 households in rural and urban areas in Lesotho.

In the last seventeen years, UNICEF's support has ranged from the hands-on creation, implementation, and updating of the national MIS system, the NISSA, to technical support in developing the Social Protection Strategy and action plan. Furthermore, UNICEF has the advantage of tapping into the vast experience of its country offices across sub-Saharan Africa countries that have developed cash-plus programmes linked to cash transfer programmes.

After 15-years of partnership with the EU and support for social protection, UNICEF has gained the unique trust of the government. UNICEF is therefore well placed to consolidate the results achieved and link the programme to essential services that will benefit children and improve their outcomes.

#### 4.3.2 Indirect Management with a pillar assessed entity

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

The entity that will be selected to manage parts of the action has to have previous knowledge in management of EU (co-) funded EU contribution agreements. The entity shall have sufficient operational capacity to successfully implement a component of this action. The entity shall add value to the implementation through previous experience in the field of Specific Objective 3. Additionally, the entity shall have experience in the management and implementation of EU funded interventions of a comparable size. In general, the entity must not have a conflict of interests in implementing a component of the action. Previous experience in the implementation of projects in Lesotho is seen as an advantage. The entity has to have previous experience in the field data development. Ideally the entity will have worked together with relevant stakeholder of the NSS in the past.

The implementation by this entity entails a contribution to Specific Objective 3 of the action: "Policies and programmes designed and implemented by the government and development partners are based on quality data and statistics."

#### 4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

#### 4.5 Indicative Budget

<b>Indicative Budget components</b>	<b>EU contribution (amount in EUR)</b>
<b>Implementation modalities</b> – cf. section 4.3	
<b>Objective 1 and 2, Outputs 1.1, 1.2, 1.3, 2.1 and 2.2 – Social protection</b> composed of	
Indirect management with UNICEF – cf. section 4.3.1	6 000 000
<b>Objective 3, Outputs 3.1, 3.2 and 3.3 – Statistical capacity</b> composed of	
Indirect management with a pillar assessed entity – cf. section 4.3.2	1 800 000
<b>Evaluation</b> – cf. section 5.2	200 000
<b>Audit</b> – cf. section 5.3	
<b>Totals</b>	8 000 000

#### 4.6 Organisational Set-up and Responsibilities

The EU Delegation and the implementing partners will agree upon the appropriate formats for the steering committees of the programme component under the respective components. The implementing partners will be responsible of the day-to-day management of the agreements and the implementation of activities.

The EU Delegation will ensure that any form of steering committee encompasses a wide variety of stakeholders to ensure the representation of people living in the most vulnerable situations. The steering committee shall include the implementing partners as well as the beneficiaries (rights-holders). It is foreseen that civil society organisations

will be represented as steering committee members. The task of the committee is to provide strategic and political guidance as well as on a technical level.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support). Indicators shall be disaggregated at least by sex. All monitoring and reporting shall assess how the action is taking into account the rights-based approach and gender equality.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

The implementing partners will develop a monitoring system relying on a structured data collection and information mechanism. In case where the log frame matrix has not yet defined values for baselines and targets the implementing partners will conduct baseline and end line surveys. The monitoring system will integrate a learning mechanism that evaluates at intervals and allows progressive adjustments to the programme.

### 5.2 Evaluation

Having regard to the nature of the action, a mid-term and final evaluation will be carried out for this action or its components via independent consultants.

A mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to possible adjustments of the programme interventions and integration of lessons learnt. The mid-term evaluation will also inform about achieved results and therefore enable further analysis for setting sustainable action.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the progress achieved against the baseline data and the impact analysis of Social Protection, with a focus on the impact of those living in the most vulnerable situations (e.g. children and women). The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

### 5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

## 6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

## Appendix 1 REPORTING IN OPSYS

An Intervention<sup>13</sup> (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress.

Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’.

An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as:

Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	<b>Objective 1 and 2, Outputs 1.1, 1.2, 1.3, 2.1 and 2.2 – Social protection</b>
<input checked="" type="checkbox"/>	Single Contract 2	<b>Objective 3, Outputs 3.1, 3.2 and 3.3 – Statistical capacity</b>

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<sup>13</sup> [Ares\(2021\)4450449](#) - For the purpose of consistency between terms in OPSYS, DG INTPA, DG NEAR and FPI have harmonised 5 key terms, including ‘action’ and ‘Intervention’ where an ‘action’ is the content (or part of the content) of a Commission Financing Decision and ‘Intervention’ is a coherent set of activities and results which constitutes an effective level for the operational follow-up by the EC of its operations on the ground. See more on the [concept of intervention](#).