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Country: LESOTHO

UNDAF Outcome(s): National Institutions able to implement sustainable pro poor economic development, environmental management and household food security policies and strategies with special focus on vulnerable groups including women, young men and women and the disabled.

Expected Outcome(s):
1) National institutions able to promote and foster increased production and trade.
2) Government institutions, private sector institutions and NGO's able to create decent employment opportunities for women, men, children and youth, including orphaned and vulnerable youth

Expected Output(s):
1) Increased institutional capacities of the public and private technical support institutions to utilize trade preferences enhance market access opportunities and improve competitiveness of manufacturing enterprises.
2) Government institutions, private sector institutions and NGO's have capacity to facilitate creation of decent employment opportunities for both young men and women.

(Sub-)National partner(s): MOF&DP, MTICM, MGYSR, MET

Executive Summary

To accelerate shared and sustained economic growth in Lesotho, the UN proposes to undertake a joint programme on economic growth and development. The programme will support the joint programme on Maternal and Child Health and one on Nutrition so that the efficacy of interventions under the joint programmes is enhanced equitably and simultaneously for socio-economic improvement in the four districts. The programme aims to make a concerted effort to strengthen existing businesses, especially at the small and medium scale level, as also to provide skills training to entrepreneurs in the four target districts. Special efforts will be made towards promoting employment opportunities for women, encouraging women entrepreneurship activities through appropriate skills training, business advisory services and development of value chains to encourage greater production and consequent economic growth. The program will initially run five months four in selected districts and lessons learnt will provide valuable input towards formulation of a detailed program that will run in 2011 and 2012, the period when three other joint programs will be running.

Programme Title: Economic Growth and Development

Programme Duration: Five months

(start/end dates): August – December 2010

Fund Management Option(s): Pass-Through
(Parallel, pooled, pass-through, combination)

Budget for 2010: \$385,713

Section 1: Background and Analysis

Lesotho is a small land locked country, struggling with an epidemic of HIV/AIDS, chronic food insecurity and worsening health indices, especially with regard to maternal mortality and malnutrition. It has a narrow production and export base and up until 2008 a major proportion of its revenue came from the South African Customs Union. With the global economic downturn this source of revenue is shrinking and consequently the Government is faced with the challenge of expanding its resource base and reducing its dependence on imports. The Government has thus, prioritized growth and investment in productive sectors and also seeks to develop the SMME sector as an important component for fuelling economic growth. The need to diversify exports has also been articulated by the Government.

The Government of Lesotho is embarking on a process of formulating a five year National Development Plan to capture all development programmes in a comprehensive planning framework and with the ultimate objective of achieving 'high and broad based economic growth' through sustainable poverty reduction strategies and developing a healthy and well developed human resource base. The National Development Plan would provide the necessary focus for medium to long term planning which is necessary to foster development. As this will lay the foundation for all development activity in the country, the UN family, under the aegis of the joint programme on economic growth, would assist the Government both financially and technically in the development of the Plan

Limited resources constrain Government spending on the social sector that addresses most of the MDGs. It is therefore necessary to expand its manufacturing and export base to generate employment and revenue to fund health care facilities etc. Moreover, when people are economically empowered they are better able to look after their health and nutritional needs.

Given the dismal progress on the MDGs pertaining to HIV/AIDS, poverty, nutrition, and maternal and infant mortality, the UN family in consultation with Government has agreed to focus on the 'Mother' and address issues pertaining to her health, nutrition and economic well being. Therefore, the joint programme on economic growth and development while aiming to strengthen and build productive capacities in the four target districts will also accord special attention to training and skills development of women to complement the efforts of the Joint programmes on HIV prevention, maternal and child health, and nutrition. While encouraging entrepreneurship amongst women the programme will also support gender sensitive value chain analyses to integrate women producers and suppliers into a functional value chain at the district, country, regional and ultimately global level based on competitive advantage.

The Joint programme on economic growth and development is projected to run for the period August to December 2010 in the four districts of Mokhotlong, Qacha's Nek, Thaba-Tseka and Berea, concurrently with the joint programmes on maternal, neonatal and child health; HIV prevention and nutrition. This joint programme is the first of its kind in the country and it combines the skills and expertise of a number of agencies, including non-resident ones. Experience gained from implementation of this joint programme would inform other work to be carried out in the currency of the UNDAF till 2012. The joint programme is aligned to the Government's stated priorities as articulated in various documents such as the Vision 2020, National Development Framework (NDF) 2009/09-2011/12 etc. It will accelerate progress towards achieving the Millennium Development Goals particularly MDG 1 (eradicating poverty and hunger). Through its complementary and supportive role of the other programmes it will also contribute to MDG 4 (reducing child mortality), MDG 5 (improving maternal health) and MDG 6 (combating HIV & AIDS).

Section 2: Management and Coordination Arrangements

The UN Country Programme Steering Committee that is comprised of the Minister of Finance, the Resident Coordinator and Participating UN Agencies will provide overall leadership to the joint program. The Steering Committee will be supported by a Program Coordinator designated within the Resident Coordinator's Office and the Program Management Team. The UN Country Team and the Program Management Team will have an agenda item on the joint programs during their monthly meetings. On a monthly basis, the different technical teams will hold a joint meeting to assess progress being made, identify common challenges and identify synergies. These joint meetings will ensure that duplication of efforts is reduced. The technical working groups will also report progress to their respective UNDAF Outcome Working Groups.

Monitoring and Evaluation of joint program will follow standard monitoring and evaluation procedures described in the UNDAF Action Plan. A rapid baseline assessment will be undertaken to provide bench marks for this joint initiative. Joint field visits and a joint annual review will be undertaken.

Three UN Agencies i.e. UNDP, ILO and UNCTAD will execute program activities, with UNDP serving as the lead agency. Program implementers will include the Ministry of Finance and Development Planning, Ministry of Trade Industry Cooperatives and Marketing, Ministry of Gender, Youth, Sports and Recreation etc. Some of the tasks of the lead agency will include:

- a. Organizing and coordinating joint visits
- b. Organizing coordination meetings
- c. Coordinating preparation financial and narrative progress reports
- d. Submission of the progress reports to the Administrative Agent.

To speed up the process of program implementation, funds will be channelled through UNDP as two of the participating UN agencies do not have offices in Lesotho. The participating agencies will provide technical support and guidance in the actual implementation of the activities envisaged in the Action Plan.

UNDP as the recipient of funding will provide the following statements and reports to the Administrative Agent and participating UN partners:

- a. Annual narrative progress reports, to be provided no later than three months (31 March 2011) after the end of the calendar year;
- b. Annual financial statements and reports as of 31 December with respect to the funds disbursed to it from the UN Lesotho One Fund Account, to be provided no later than four months (30 April 2011) after the end of the calendar year;
- c. Final narrative reports, after the completion of the activities in the One Programme and including the final year of the activities in the One Programme, to be provided no later than four months (30 April 2013) of the year following the financial closing of the One Programme. The final report will give a summary of results and achievements compared to the goals and objectives of the One Programme; and
- d. Certified final financial statements and final financial reports after the completion of the activities in the One Programme and including the final year of the activities in the One Programme, to be provided no later than six months (30 June 2013) of the year following the financial closing of the One Programme.





The Administrative Agent will prepare consolidated narrative progress and financial reports, based on the reports provided by the lead agency and submit them to the donor.

Section 3: Common Work plan and Budget for 2010

National Priority Goals: Accelerating shared and sustainable economic growth						
UNDAF Outcome 3: National Institutions able to implement sustainable pro poor economic development, environmental management and household food security policies and strategies with special focus on vulnerable groups including women, young men and women and the disabled						
Agency Outcome 3.1: National institutions able to promote and foster increased production and trade						
Outputs	Agency	Key actions	Implementing partners	Activities for 2010	Targets for 2010	Budget
3.1.3 Increased institutional capacities of the public and private technical support institutions to utilize trade preferences, enhance market access opportunities and improve competitiveness of manufacturing enterprises	UNDP/ UNCTAD	Promote creation of sustainable support structures that help promising entrepreneurs build innovative and internationally competitive small and medium sized enterprises (SMEs)	MTICM, MoFDP	Local Economic Development/community development workshops in all four districts to define the demand/need	Local inputs and validation of the plan, ownership of the plan and well targeted interventions, defining the relevant sectors for each district	24,500
			MTICM	Feasibility study to upgrade local suppliers in selected sector(s)	Feasibility study finalized	24,500
	UNDP/ ITC	Build capacity of trade institutions and chambers of commerce to implement competitive supply/value chains in the selected sector(s)	MTICM	-SMEs, enhance export capacity of selected products -Strengthen delivery of entrepreneurship programmes for agro-business including value chain management programmes	Value chain in selected sectors developed, special emphasis on Gender.	44,000

Agency Outcome 3.2: Government institutions, private sector institutions and NGO's able to create decent employment opportunities for women, men, children and youth, including orphaned and vulnerable youth (UNDP, ILO, UNHABITAT, UNV, UNICEF, UNCDF, UNIDO, UNESCO)						
Outputs	Agency	Key actions	Implementing partners	Activities for 2010	Targets for 2010	Budget
3.2.2 Government institutions, private sector institutions and NGO's have capacity to facilitate creation of decent employment opportunities for both young men and women	UNDP/ ILO	Strengthen the capacity of local institutions, through training, to create an environment conducive to the creation of youth employment	MGYSR, MET, ILO	Improving access to resources by providing technical skills training, business start-up training, counselling and access to financing and supporting business development services (BDS) (support the development of SMEs in rural areas; promote women entrepreneurs ; Train women entrepreneurs in skill development and basic book keeping; support Training for Trainers (ToT) for village savings and loan(VSL) based model)	Functional training provided and approximately 300 youth trained, about 100 enterprises set up Approximately 50 OVCs trained and about 20 OVC established enterprises set up	14,500
	ILO/ UNDP	Create an enabling environment that supports the creation and growth of women's enterprises which generate quality jobs.	MoLE Trade Lesotho Textiles Exporters Association, LTEA, ALE, and Workers Organisations	Develop appropriate training programmes , particularly for high growth oriented and export oriented enterprises;	Increased # of high growth and export oriented enterprises Increased # of women trained in skills development # of TOT trained to facilitate VSL training in the 4 districts Training manual developed in local language	14,500
Project support costs	UNDP	Support formulation of the National Development Plan	MF&DP	Technical Assistance for situation analysis; facilitation of sectoral working groups, and writing teams	At least 2 sectoral analysis reports produced	227,980
	UNDP	Coordination and monitoring	UNDP	Organise and participate joint monitoring visits	At least one monitoring visit conducted each month	10,499
	UNDP	Overhead expenses (7%)	UNDP	N/A	N/A	25,234
					Total budget	385,713

Section 4: Signatures of national counterparts and participating UN organizations

<p>United Nations Organizations Resident Coordinator/UNDP Representative and on behalf of Non-Resident Agencies Ms. Ahunna Eziaakonwa Signature:  Date and Seal: </p>	<p>National Coordinating Authorities Ministry of Finance and Development Planning Mr. Mosito Khethisa, Principal Secretary Signature  Date and Seal: </p>
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Section 4: Signatures of national counterparts and participating UN organizations

United Nations Organizations Resident Coordinator/UNDP Representative and on behalf of Non-Resident Agencies	National Coordinating Authorities
<p>Ms. Ahunna Eziakonwa</p> <p>Signature: </p> <p>Date and Seal: 28/7/10</p>	<p>Ministry of Finance and Development Planning</p> <p>Mr. Mosito Khethisa, Principal Secretary</p> <p>Signature </p> <p>Date and Seal:</p>

