



*Empowered Lives  
Resilient Nations*

**PROJECT DOCUMENT  
for  
Integrated Economic Development**

**2014 - 2017**

**United Nations Development Programme (UNDP)  
Country: Kingdom of Lesotho Project Document**

<b>Project Title</b>	<b>Integrated Economic Development Project</b>
<b>UNDAF Outcome(s)</b>	<b>UNDAF/CPD 2013-17 OUTCOME # 1:</b> By 2017, public and private institutions promote increased investments, manufacturing, trade and financial services and create decent employment in an inclusive and sustainable manner. <b>Also contributes to: UNDAF/CPD 2013-17 OUTCOME # 4:</b> By 2017, national and lower level institutions make evidence based policy decisions.
<b>Expected CP Outcome(s)</b>	Same as UNDAF Outcomes as expressed above.
<b>Expected Output(s)</b>	Output 1: Increased capacities of industry and commerce operators to provide decent employment opportunities, particularly for vulnerable people in manufacturing, trade and services industries Output 2: National statistical and M&E system with timely, reliable and relevant data in place. Output 3: National capacities of government, civil society and private sector increased to mainstream HIV/AIDS issues into national and local policies and strategies.
<b>Responsible Party</b>	UNDP Lesotho , Ministry of Finance, Ministry of Trade and Industry, Cooperatives and Marketing, Ministry of Gender Youth Sports and Recreation, Ministry of Mining, Ministry of Public Service, Ministry of Tourism, Environment and Culture and Ministry of Law and Human Rights
<b>Implementing Partner</b>	Ministry of Development Planning

#### BRIEF DESCRIPTION

The Integrated Development Project consists of four focus areas within which will be implemented a set of strategic, high-impact projects. It focuses on the development of policies and strategies, generation and gathering of and research and development, creation of employment for youth and women, as well as the strengthening of the multi-sectoral response to HIV and AIDS.

The project contributes to the national priorities of *high shared and employment creating economic growth* and improving health, combating HIV and AIDS and reducing vulnerability. It is also an integral part of efforts towards the UNDAF (2013-17) outcomes 1, 3, 4 and 9; [1.] *By 2017, public and private institutions promote increased investments, manufacturing, trade and financial services and create decent employment in an inclusive and sustainable manner*, [3.] *By 2017, national and lower level institutions make evidence based policy decisions* and [4] *by 2017, national and lower level institutions make evidence based policy decisions*. [9.] *By 2017, multi-stakeholders in the country contribute to the reduction of new annual HIV infections especially among youth, children and adults*

The main partners for the programme are Ministry of Finance, Ministry of Development Planning, Ministry of Trade and Industry, Cooperatives and Marketing, Ministry of Gender Youth Sports and Recreation, Ministry of Mining, Ministry of Public Service, Ministry of Tourism, Environment and Culture and Ministry of Law and Human Rights.

Programme Period:	2014 – 2017 Growth is inclusive and sustainable, incorporating productive capacities that create livelihoods for the poor and excluded.
Key Result Area (UNDP Strategic Plan):	
Atlas Award ID:	TBD
Start date:	March 2014
End Date:	April 201
PAC Meeting Date:	25 <sup>th</sup> February 2014

Total resources required:	<b>\$1,200,000.00</b>
Total allocated resources:	<b>TBD</b>
UNDP Regular:	<b>\$700,000.00</b> (partially through parallel funding)
Other sources:	-
Government of Lesotho:	<b>TBD</b>
Bilateral Partners:	-
Others:	-
Unfunded budget:	<b>\$500,000.00</b>

Agreed by:

1.

Government of Lesotho

2.

UNDP



Date:

7 April / 2014

Date:

04 / April / 2014

## I. SITUATION ANALYSIS

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Lesotho's National Strategic Development Plan (NSDP, 2013-17) aims to address the development challenges of the country through increased access to global markets, trade and investment; job-led growth powered by a dynamic private sector; strengthened governance and institutional coordination; and integrated environmental management.

In terms of socio-economic challenges, several achievements were realized since the start of the NSDP, including GDP growth to 4.3 % (0.6 % higher than previous year) and improved fiscal stability, as well as a slight increase in the country's HDI ranking (0.3% annually since 1980, but still in the low human development category in 158<sup>th</sup> place with 0.461 HDI according to the 2013 Human Development Report). At the same time, unemployment continued to be one of the major challenges (25.4%; Bureau of Statistics, 2008), with youth being the most acutely affected at 30.5% (Empowering Youth Survey 2013, MGSYR&UNDP).

According to the 2013 Millennium Development Goals (MDG) Report, only two MDGs are on track - Education and Gender Equality - with a 92.8% literacy rate, and a consistently higher ratio of girls to boys in education; as well as ranking 16<sup>th</sup> of 135 countries (down 2 positions since 2012) on the 2013 Global Gender Gap report, and 10<sup>th</sup> out of 52 countries on gender as per the 2013 Ibrahim Index of African Governance. However, 57.3% of the population still lives below the poverty line (BOS, 2012); average life expectancy stands at 48.2 years; and despite large investment by UN and development partners, child mortality and maternal health significantly worsened, HIV/AIDS prevalence did not improve with Lesotho remaining 3<sup>rd</sup> highest globally.

The underlying root causes include lack of economic and social policies, lack of data for evidence-based monitoring and decision making, as well as low capacity both in the public and private sector for implementation of policies and related development projects.

## II. STRATEGY

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**The project consists of four focus areas within which will be implemented a set of strategic, high-impact outputs. It focuses on policy and strategy development, data generation, gathering and research and development, employment creation, and supports the fight against HIV and AIDS.**

### 1. Policy and strategy development

**Output 1:** Increased capacities of industry and commerce operators to provide decent employment opportunities, particularly for vulnerable people in manufacturing, trade and services industries.

Alongside its vision 2020, Lesotho has developed medium term plans and strategies that have shaped its existing contours of social and economic development. These include the PRS 2004, various medium-term plans with the latest being the NSDP 2012/13-016/17. Meantime, a significant gap has always existed to create a strong, enabling policy environment under which these are implemented.

Under this output, activities focus on development of policy documents strategic to enhancing creation of decent jobs, increasing financial inclusion and improving trade and investment, such as:

- Develop a National Trade Policy
- Develop a National Mining Policy
- Finalise and adopt a National Investment Policy
- Develop a HIV and Gender sensitive Environmental Impact Assessment Regulations
- Assess and develop Women and Youth Employment interventions
- Support OBFC to extend company registration services

## **2. Data generation, gathering and research and development**

**Output 2:** National statistical and M&E system with timely, reliable and relevant data in place.

The project also contributes in the efforts to fill a crosscutting gap generated by low level of access to data and information for monitoring and evaluation of development efforts in Lesotho. This component of the programme brings together contributions from development partners (UN, multilateral and bilateral donors) towards strengthening the country's statistical and monitoring and evaluation capacities. It will also map out and profile development partners themselves, including NGOs and CBOs for ease of coordinating their activities, knowledge of their focus areas as well as their limitations.

Under this output, activities include:

- Study of the impact of HIV/AIDS on the public sector
- Develop a National report on HIV and the Law in Lesotho
- Develop Lesotho's Post 2015 Development report
- Launch the 2013 MDG Report
- Conduct national research on employment, structural transformation and economic productivity
- Support the Bureau of Statistics
- Support the Monitoring and Evaluation Department
- Conduct a Tourism feasibility study
- Conduct outreach and communication on key development issues

## **3. HIV and AIDS response**

**Output 3:** National capacities of government, civil society and private sector increased to mainstream HIV/AIDS issues into national and local policies and strategies.

HIV and AIDS have been acknowledged as the foremost constraints to attaining all the other MDGs in Lesotho. Prevalence is high, making Lesotho the 3<sup>rd</sup> worst affected country in the world. Preliminary data on MDGs shows the country is off-track on this goal. The project implements a component that contributes to the overall national response with focus on enabling policy and regulatory environment as well as research.

Under this output the following activities are supported:

- Implementation of HIV mainstreaming guidelines into public service.
- Enhancing communication and advocacy on HIV/AIDS issues.
- Capacity building of civil society institutions on HIV/AIDS.
- Mainstreaming gender
- Implement the MAF (MDGs Acceleration Framework)



## RESULTS AND RESOURCES FRAMEWORK

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p><b>Outcome as stated in the Country Programme Results and Resource Framework:</b></p> <ul style="list-style-type: none"> <li>Public and private institutions promote increased investments, manufacturing, trade and financial services and create decent employment in an inclusive and sustainable manner.</li> </ul> <p><b>Key indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:</b></p> <ul style="list-style-type: none"> <li><b>Indicator 1:</b> Number (#) of jobs created for women and youth Baseline: 1,340 jobs created by UN efforts by 2011 for women and youth Target: 5,000 jobs created for women and youth</li> <li><b>Indicator 2:</b> # of people accessing microfinance Baseline: 16,3% of rural and urban Basotho have no access to financial services Target: Lack of access to financial services reduced to 15% and 10% in rural &amp; urban areas respectively Basotho accessing formal insurance services)</li> </ul> <p><b>Key Result Area (from 2013-17 Strategic Plan):</b> Growth is inclusive and sustainable, incorporating productive capacities that create livelihoods for the poor and excluded.</p> <p><b>Lead Strategy:</b> Implementing partner Ministry of Development Planning, resource mobilization with third-party donors.</p> <p><b>Activity title and ID (ATLAS Award ID): Integrated Economic Development</b></p>	<p><b>Targets (year 1)</b></p> <ul style="list-style-type: none"> <li>1 policy drafted (Trade);</li> <li>1 policy finalised (Mining);</li> <li>1 policy adopted</li> </ul> <p>(Investment); 1 set of regulations finalised (EIA Regulations); 1 employment project implemented</p>	<p><b>Activity 1: National Trade Policy</b></p> <ul style="list-style-type: none"> <li>Study the Lesotho, regional and global trade environments through surveys.</li> <li>Develop the national trade policy document.</li> </ul> <p><b>Activity 2: National Mining Policy</b></p> <ul style="list-style-type: none"> <li>Train/Facilitate the ministry on key policy areas and implications to other sectors.</li> <li>Review and revise internal mining business processes impacted by the policy</li> </ul> <p><b>Activity 3: National Investment Policy</b></p> <ul style="list-style-type: none"> <li>Train/Facilitate the ministry on key policy areas and implications to other sectors.</li> <li>Review and revise internal mining business processes impacted by the policy</li> </ul> <p><b>Activity 4: HIV and Gender sensitive Environmental Impact Assessment Regulations</b></p> <ul style="list-style-type: none"> <li>Draw the final draft of the EIA regulations draft document</li> </ul> <p><b>Activity 5:</b> Assess and develop Women and Youth Employment intervention(s)</p>	<p>Ministry of Trade and Industry, Cooperatives and Marketing</p> <p>Ministry of Mining</p> <p>Ministry of Trade and Industry, Cooperatives and Marketing</p> <p>Ministry of Law and Constitutional Affairs</p> <p>Ministry of Gender and Youth Sports and recreation</p>	<p>\$ 202,245</p> <p>\$ 93,500</p>
<p><b>Indicator 1:</b> # of related policies, strategies and laws developed</p> <p><b>Indicator 2:</b> Target: Investment policy, Mining National Export Development Strategy and consumer protection policy, EIA regulations, sensitive trade policy and strategy.</p> <p><b>Indicator 3:</b> Investment policy and law adopted by 2015</p>	<p><b>Targets (year 2)</b></p> <ul style="list-style-type: none"> <li>All targeted policies finalized, post policy capacity building activities for ministries in place to ensure policy adoption.</li> </ul>	<p><b>Activity 1: National Trade Policy</b></p> <ul style="list-style-type: none"> <li>Train/Facilitate the ministry on key policy areas and implications to other sectors.</li> <li>Implement a trade Policy legal review</li> <li>Review and revise internal trade business processes impacted by the policy.</li> </ul> <p><b>Activity 2: National Mining Policy</b></p> <ul style="list-style-type: none"> <li>Manage the change process associated with the mining policy implementation</li> </ul> <p><b>Activity 3: National Investment Policy</b></p> <ul style="list-style-type: none"> <li>Manage the change process associated with the investment policy implementation</li> </ul>	<p>Ministry of Trade and Industry, Cooperatives and Marketing</p> <p>Ministry of Mining</p> <p>Ministry of Trade and Industry, Cooperatives and Marketing</p>	<p>\$ 50,000</p>
<p><b>Indicator 4:</b> Post policy capacity building activities for ministries in place to ensure policy adoption. Policy revisions if needed.</p>	<p><b>Targets (year 3)</b></p> <ul style="list-style-type: none"> <li>Post policy capacity building activities for ministries in place to ensure policy adoption.</li> <li>Policy revisions if needed.</li> </ul>	<p><b>Activity 1: National Trade Policy</b></p> <ul style="list-style-type: none"> <li>Train/Facilitate the ministry on key policy areas and implications to other sectors.</li> <li>Review and revise internal mining business processes impacted by the policy.</li> </ul> <p><b>Activity 2: National Mining Policy</b></p> <ul style="list-style-type: none"> <li>Manage the change process associated with the mining policy implementation</li> </ul> <p><b>Activity 3: National Investment Policy</b></p> <ul style="list-style-type: none"> <li>Manage the change process associated with the investment policy implementation</li> </ul>	<p>Ministry of Trade and Industry, Cooperatives and Marketing</p> <p>Ministry of Mining</p> <p>Ministry of Trade and Industry, Cooperatives and Marketing</p>	<p>\$ 50,000</p>

<p><b>Target (year 1)</b> One Stop Business Facilitation Centres company registration service extended</p>	<p><b>Activity 6: Support to OBFC</b></p> <ul style="list-style-type: none"> <li>Recruit and train new OBFC staff on the work of OBFC and company law</li> <li>Facilitate the transfer of essential equipment, software and knowledge</li> </ul>	<p>Ministry of Trade and Industry, Cooperatives and Marketing, UNDP</p>	<p>47,000</p>
<p><b>Targets (year 1)</b> Capacity of the M&amp;E department increased; 3 national research reports produced and 1 feasibility study; 2 UN monitoring tools produced.</p>	<p><b>Activity 1: Study of the Impact of HIV/AIDS on the Public Sector</b></p> <ul style="list-style-type: none"> <li>Undertake a stakeholder consultations</li> <li>Draft the study report</li> </ul> <p><b>Activity 2: National Report on HIV and the Law in Lesotho</b></p> <ul style="list-style-type: none"> <li>Undertake a stakeholder consultations</li> <li>Draft the study report</li> </ul> <p><b>Activity 3: Lesotho Post 2015 Development Report</b></p> <ul style="list-style-type: none"> <li>Finalise the report and incorporate it into the MDGR</li> </ul> <p><b>Activity 4: Lesotho MDG Report 2013</b></p> <ul style="list-style-type: none"> <li>Edit, Launch and Publicise the MDGR</li> </ul> <p><b>Activity 5: National Research Report on Employment, Structural Transformation &amp; Economic Productivity</b></p> <ul style="list-style-type: none"> <li>Engage a local consultant</li> <li>Draw the research report</li> </ul>	<p>Ministry of Development Planning, UNDP, Ministry of Finance</p> <p>Ministry of Law and Constitutional Affairs</p> <p>Ministry of Development Planning</p> <p>UNDP</p>	<p>\$ 384,660</p>
<p><b>Targets (year 2)</b> Capacity of the M&amp;E department increased; At least two projects on employment creation implemented.</p>	<p><b>Activity 6: Support to Bureau of Statistics</b></p> <ul style="list-style-type: none"> <li>Part-finance and facilitate the Demographic Health Survey activities</li> </ul> <p><b>Activity 7: Support to Monitoring and Evaluation Department</b></p> <ul style="list-style-type: none"> <li>Establish required technical capacity for NSDP M&amp;E</li> </ul> <p><b>Activity 8: Tourism feasibility study</b></p> <ul style="list-style-type: none"> <li>Undertake a feasibility study of the tourism sector in Lesotho</li> </ul> <p><b>Activity 9: Outreach &amp; communication on key development issues</b></p> <ul style="list-style-type: none"> <li>Develop knowledge and communication resources to promote key development issues where UNDP works</li> </ul> <p><b>Activity 5: National Research Report on Employment, Structural Transformation &amp; Economic Productivity</b></p> <ul style="list-style-type: none"> <li>Implement employment and productivity increase projects in the mining, manufacturing, construction and agriculture sectors</li> </ul>	<p>Bureau of Statistics</p> <p>Ministry of Development Planning</p> <p>Ministry of Tourism and Environment</p> <p>UNDP</p> <p>UNDP, Ministry of Development Planning</p> <p>Bureau of Statistics</p>	<p>\$80,000</p>
<p><b>Targets (year 3)</b> 2016 population and housing census supported</p>	<p><b>Activity 7: Support to Monitoring and Evaluation Department</b></p> <ul style="list-style-type: none"> <li>Develop a comprehensive institutional capacity development strategy.</li> </ul> <p><b>Activity 6: Support to Bureau of Statistics</b></p> <ul style="list-style-type: none"> <li>Part-finance the 2016 population and housing census activities</li> </ul>	<p>Ministry of Development Planning</p> <p>Bureau of Statistics</p>	<p>\$50,000</p>

<p>3  <b>Build capacities of government, civil society and private sector increased to mainstream HIV issues into national and local policies at all levels.</b></p> <p><b>Baseline/Targets:</b>          Capacity of gender and HIV sensitive policy and environment <b>Baseline:</b> 0  <b>Targets:</b> HIV mainstreamed in at least 2 ministries</p>	<p><b>Targets (year 1)</b>          Mainstreaming designed for gender and HIV and AIDS in at least 2 ministries;          Improve communication for health indicators in at least two ministries;          Build capacity of at least one NGO on health and HIV and AIDS</p>	<p><b>Activity 1: Implementation of HIV mainstreaming guidelines</b></p> <ul style="list-style-type: none"> <li>Implement the HIV mainstreaming guidelines in the ministries of public service and local government and chieftainship</li> <li>Support HIV and AIDS response coordination</li> </ul> <p><b>Activity 2: HIV Communication Strategy Prime Minister's Office</b></p> <ul style="list-style-type: none"> <li>Develop a communication strategy for the office of the Prime Minister</li> </ul> <p><b>Activity 3: Capacity building of civil society organisations</b></p> <ul style="list-style-type: none"> <li>Develop an M&amp;E Framework for the Matrix support group</li> </ul> <p><b>Activity 4: Gender Mainstreaming</b></p> <ul style="list-style-type: none"> <li>Implement gender mainstreaming within all UNDP supported projects</li> </ul> <p><b>Activity 5: MAF Implementation</b></p> <ul style="list-style-type: none"> <li>Establish a hotline for Basotho to call the hospitals for free</li> <li>Establish a call centre to manage the Hotline</li> </ul>	<p>UNDP</p> <p>Prime Minister's office</p> <p>UNDP, MATRIX Group</p> <p>Ministry of Gender and Youth Sports and Recreation</p> <p>Ministry of Health</p> <p>Ministry of Health</p> <p>Ministry of Health</p> <p>Ministry of Health</p>	<p>\$194,500</p> <p>\$50,000</p>
<p><b>Targets (year 2)</b>          HIV and AIDS in at least 2 ministries fully mainstreamed; Improve communication for health indicators in at least two ministries;          Build capacity of at least one NGO on health and HIV and AIDS</p>	<p><b>Activity 1: Implementation of mainstreaming guidelines</b></p> <ul style="list-style-type: none"> <li>Implement the HIV mainstreaming guidelines in the ministries of public service and local government and chieftainship</li> </ul> <p><b>Activity 3: Capacity building of civil society organisations</b></p> <ul style="list-style-type: none"> <li>Develop an M&amp;E Framework for the Matrix support group</li> </ul>	<p><b>Activity 1: Implementation of mainstreaming guidelines</b></p> <ul style="list-style-type: none"> <li>Implement the HIV mainstreaming guidelines in the ministries of public service and local government and chieftainship</li> </ul>	<p>Ministry of Health</p> <p>Ministry of Health</p>	<p>\$50,000</p>



**IV. ANNUAL WORKPLAN: Year: 2014**

EXPECTED OUTPUTS <i>and baseline, associated indicators and annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET	
		Q1	Q2	Q3	Q4		Funding Source	Budget Description Amount
<p><b>Input 1</b> Increased capacities of industry and commerce operators to provide decent employment opportunities, particularly for vulnerable people in manufacturing, trade and services industries</p> <p><b>Indicators/Baselines/Targets:</b> <i>if related policies, strategies and regulations re-looked</i> baseline: tbd Target: Investment policy, Mining policy, National Export Development Strategy and Policy, Consumer protection policy, EIA regulations, tender sensitive trade policy and strategy, competition policy and law adopted by 2015</p>	National Trade Policy	XX	XX	XX		UNDP, MTICM, MOF, MDP, UNCTAD	UN Agencies	50,000
	National Mining Policy	XX	XX			UNDP, UNEC	UNDP RBA	85,745
	National Investment Policy		XX	XX		MTICM, UNDP	UNCTAD, UNDP	10,000
	HIV and Gender sensitive Environmental Impact Assessment Regulations	XX	XX	XX		UNDP, MGYSR,	UNDP RBA	36,000
	Women and Youth Employment intervention(s)	XX	XX	XX	XX	UNDP, MGYSR,	UNDP	93,500
	Support to OBFC	XX	XX	XX		UNDP, MTICM	UNDP	47,000
	Study on Impact of HIV/AIDS on the Public Sector		XX	XX	XX	UNDP, MH, JUNTA	TBD	50,000
	National Report on HIV and the Law in Lesotho	XX	XX	XX		UNDP, MOLGC, World Bank	UNDP RBA	46,493
	Lesotho Post 2015 Development Report	XX				UNDP, MDP	UNDP RBA	8,000
	Lesotho MDG Report 2013	XX				UNDP, MDP	UNDP RBA, GOL	48,500
<p><b>Input 2</b> Functional statistical and M&amp;E system with timely, reliable and relevant data in place. <b>Indicators/Baselines/Targets:</b> <i>absence of coordinated, disaggregated data collection &amp; analysis mechanism</i> baseline: limited Target: in place <i>of line ministries linked to M&amp;E mechanism</i> baseline: none linked Target: all</p>	National Research Report on Employment, Structural Transformation & Economic Productivity	XX	XX			UNDP	UNDP RBA	31,667
	Support to Bureau of Statistics	XX	XX	XX	XX	UNDP, MDP	UNDP, GOL	25,000
	Support to Monitoring and Evaluation Department	XX	XX	XX	XX	UNDP MDP	UNDP, GOL	25,000
	Tourism feasibility study		XX	XX		UNDP, MTE	GOL, UNDP	50,000
	Outreach & communication Project	XX	XX	XX	XX	UNDP	UNDP	100,000



EXPECTED OUTPUTS <i>List baseline, associated indicators and annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET	
		Q1	Q2	Q3	Q4		Funding Source	Amount
<b>Output 3</b> <b>Functional capacities of government, civil society and private sector increased to mainstream HIV/AIDS issues into national and local policies and strategies.</b> <i>agreed social protection framework</i> <i>baseline: no framework; Target: cross-sectoral/stakeholder support for a HIV-sensitive social protection policy</i>	Implementation of mainstreaming guidelines		XX	XX	XX	UNDP, MLGCA	UNDP	38,500
	HIV Communication Strategy Prime Minister's Office		XX	XX		GOL, UNDP	UNDP	20,000
	Capacity building of civil society organisations	XX	XX			UNDP	UNDP	6,000
	Gender Mainstreaming	XX	XX	XX		MGYSR, UNDP	UNDP	30,000
	MAF Implementation	XX	XX			MH, UNDP	UNDP RBA	100,000
<b>TOTAL</b>								<b>\$ 891,405.00</b>

## V. Management Arrangements

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Article III of the Standard Basic Agreement between the Government of the Kingdom of Lesotho and UNDP of 31 December 1974 states that execution of UNDP-assisted projects shall remain the responsibility of the Government. This was also reaffirmed in United Nations General Assembly resolution 44/211, which categorically states that the recipient Governments have the sole responsibility for the co-ordination of external assistance and the principal responsibility for its design and management and that the exercise of those responsibilities is crucial to the optimal use of external assistance and to the strengthening and utilisation of national capacity. UNDP works to help develop and enhance the national capacities in the initiation, implementation and conclusion of the developmental undertakings in which it is involved as a partner. For this to work, it is essential that the Government assume the overall responsibility and direction for the execution of the UNDP-supported initiatives. To this end, the National Implementation (NIM) modality, with UNDP support to NIM, will be used for programme execution in accordance with the approved United Nations Development Assistance Framework (UNDAF) – Action Plan.

The Ministry of Development Planning will be the main implementing partner for the project.

In line with the UNDP Harmonized Approach to Cash Transfers (HACT) approach to disbursements of project funds, the preferred modality is for the implementing partner to run the government processes for activities set out in an approved Annual Work Plan, based on which UNDP will make direct payments to service providers. Alternatively, as requested, UNDP can run transactions as specified in the annex and make payments to service providers based on that.

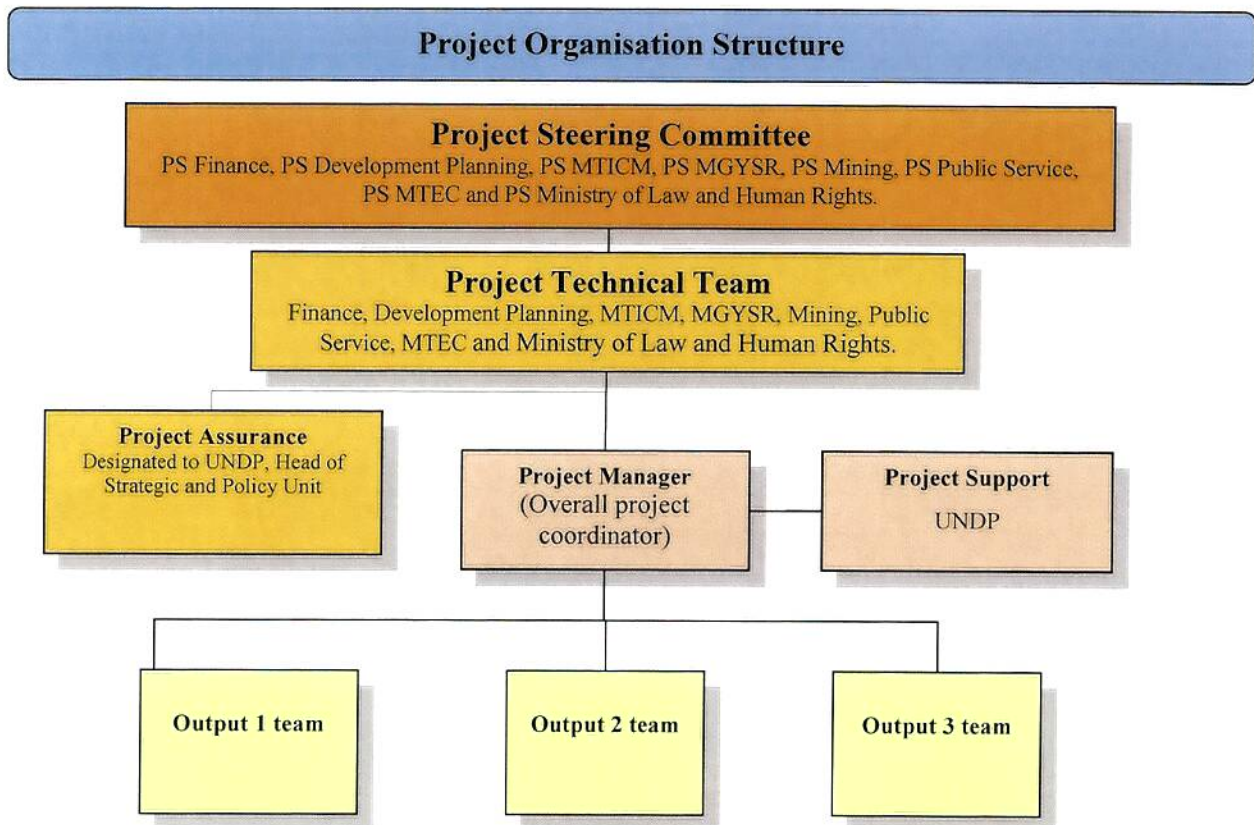
In all administrative and operational aspects of the project implementation, the UNDP Country Office will provide support to and facilitate the implementation of activities in the form of **Implementation Support Services** under the National Implementation Modality (as will be defined during the inception phase using the template agreement under annex 2).

In line with PRINCE 2 project management standards, a Steering Committee will be established for making, on a consensus basis, management decisions for a project when guidance is required by the Project Manager, including recommendation for UNDP/ Implementing Partner approval of project revisions. Project reviews by this group are made at designated decision points during the running of a project (see below), or as necessary when raised by the Project Manager. This group is consulted by the Project Manager for decisions when PM tolerances have been exceeded.

*The Steering Committee contains three roles:*

- **Executive** representing the project ownership to chair the group.
- **Senior Supplier** role to provide guidance regarding the technical feasibility of the project, and
- **Senior Beneficiary** role to ensure the realization of project benefits from the perspective of project beneficiaries.

This list of members (see below) may be expanded if appropriate. The Steering Committee will meet every six months and review and approve annual budgets and work plans and provide strategic guidance to the project.



1. The **Project Steering Committee (PSC)** is responsible for the overall direction and management of the project and has responsibility and authority for the project. The PSC is the group responsible for making executive management decisions for a project when guidance is required by the Project Manager, including approval of project plans and revisions. This group contains three roles: an Executive to chair, a Senior Supplier to provide guidance regarding the technical feasibility of the project, and a Senior Beneficiary to ensure the realization of project benefits from the perspective of project beneficiaries. The Executive role is held by a representative from the government, the Senior Supplier role is held by UNDP, and the Senior Beneficiary role is held by a representative of the government entities participating in the project.
2. The **Project Manager will have** the authority to run the project on a day-to-day basis on behalf of the Steering Committee within the constraints laid down by the Steering Committee. The Project Manager is responsible for day-to-day management and decision-making for the project. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.
3. The **Project Support** role provides project administration, management and technical support to the Project Manager as required by the needs of the individual project or Project Manager.
4. **Project Assurance** is the responsibility of each Steering Committee member; however, daily monitoring function in this regard is delegate to the programme officer. This role ensures that appropriate project management milestones are managed and completed.



## VI. MONITORING FRAMEWORK AND EVALUATION

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In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

### Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance.
- A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

### Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Steering Committee. It should include both narrative results reporting and financial reporting.
- **Donor reports** as required by the donors participating in the project.
- **Final project evaluation.**

Overall management as well as monitoring and evaluation of the integrated programme will follow standard monitoring and evaluation procedures described in the UNDAF 2013-17 Action Plan. From earlier work, baselines have already been provided as benchmarks for this integrated programme. Joint annual reviews and joint field visits will be undertaken to monitor progress.

## VII. AUDIT ARRANGEMENTS

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Financial transactions and financial statements shall be subject to the internal and external auditing procedures laid down in the Financial Regulations, Rules and directives of UNDP.

## VIII. LEGAL CONTEXT

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This document together with the UNDAF Action Plan signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the SBAA [Standard Basic Assistance Agreement between the Government of the Kingdom of Lesotho and UNDP of 31 December 1974] and all UNDAF Action Plan provisions apply to this document.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document".

IX. ANNEXES

Annex 1: Risk Analysis.

Impact (I) – 6 highest, 1 lowest  
Probability (P) – 6 highest, 1 lowest

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Inconsistent availability of funds	2011 Project Evaluation for the Statistics& M&E Project 2008-2011	<b>Financial Strategic</b>	The risk would bring the whole project to a halt. P = 3 I = 6	UNDP has funds and will mobilise with other partners	UNDP/ GOL	UNDP/ GOL	2014	no change
2	Inadequate ownership and involvement on the part of participating partners	2011 Project Evaluation for the Statistics& M&E Project 2008-2011	2011	The risk would impede the required direction and monitoring. P = 5 I = 4	Awareness on partner strengths and direct engagement of prospective partners by the project team	UNDP/ GOL	UNDP/ GOL	2013	increasing
3	Weaknesses of coordination	2011 Project Evaluation for the Statistics& M&E Project 2008-2011	<b>Operational Organizational</b>	The risk would impede the required cooperation between implementing partners. P = 5 I = 4	Ensure that programme staff have the right level of subject, operational and strategic competence	UNDP/ GOL	UNDP/ GOL	2013	reducing
4	Limited capacity within national structures to 'take over' project activities beyond project tenure	2011 Project Evaluation for the Statistics& M&E Project 2008-2011	<b>Organizational Strategic</b>	The risk would cause for no continuity after the project tenure, loss of assets and reduced impact. P = 5 I = 2	Ensure that programme staff have the right level of subject, operational and strategic competence	UNDP/ GOL	UNDP/ GOL	2013	reducing



## Annex 2 - Description of UNDP country office support services

1. Reference is made to consultations between Ministry of Finance, the institution designated by the Government of Lesotho and officials of UNDP with respect to the provision of support services by the UNDP country office for the nationally managed programme or project, **Integrated Economic Development project**, "the Programme".

2. In accordance with the letter of agreement signed on March 28th 2011 with the Ministry of Foreign Affairs and the provisions of the Joint Programme Document, the UNDP country office shall provide support services for the Programme as described below:



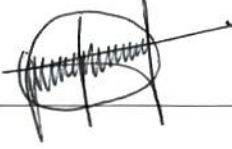
Support services to be provided:

Support services (insert description)	Schedule for the provision of the support services	Cost to UNDP of providing such support services (where appropriate)	Amount and method of reimbursement of UNDP (where appropriate)
1. Identification and recruitment of project and programme personnel and related disbursements	As per the approved Annual Work Plan for the project.	As per standard cost-recovery mechanism.	As per standard cost-recovery mechanism.
2. Identification and facilitation of training services and related disbursements	As per the approved Annual Work Plan for the project.	As per standard cost-recovery mechanism.	As per standard cost-recovery mechanism.
3. Procurement of goods and services and related disbursements	As per the approved Annual Work Plan for the project.	As per standard cost-recovery mechanism.	As per standard cost-recovery mechanism.

3. Description of functions and responsibilities of the parties involved:

UNDP to provide support services as per the above and report to the Implementing Partner as set forth in the project document. The Implementing Partner to comment and accept the reports on project progress, including the status of support services.

**X. Signatures of national counterparts and implementing partners**

United Nations Organisations	Implementing Partner
<p>UN Resident Coordinator and UNDP Resident Representative - on behalf of resident and non-resident agencies:</p> <p><b>Ms. Karla Robin HERSHEY</b></p> <p>Signature: </p> <p>Date and Seal: 4 April </p>	<p>Ministry of Development Planning, Principal Secretary:</p> <p><b>Mr. Lerotholi PHEKO</b></p> <p>Signature: </p> <p>Date and Seal: 7 April 2014</p>

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