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Joint SDG Fund - 1st Call on SDG Financing

Component 1. SDG Financing Architecture

Proposals submitted on behalf of UN Lesotho

March 2020





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A. COVER PAGE

1. Fund Name: Joint SDG Fund

2. MPTFO Project Reference Number

3. Joint programme title: Joint Programme on Economic and Financial Management Integration for the Achievement of SDGs (JP-EFMIS)

4. Short title: JP-EFMIS

5. Country and region: Lesotho, Africa

6. Resident Coordinator: Salvator Niyonzima, Salvator.niyonzima@one.un.org

7. UN Joint programme focal point
Liau Motoko, liau.motoko@one.un.org,

8. Government Joint Programme focal point
Maleshoane Lekomola, Budget Comptroller, Ministry of Finance, mlekomola@gov.ls; mlekomola@gmail.com;
Nthoateng Lebona, Principal Secretary, Ministry of Development Planning, nthoatengc@gmail.com

9. Short description:

The goal of this Joint Programme is to support Lesotho to establish a functional and sustainable integrated planning and PFM ecosystem that contributes to accelerated achievement of the SDGs targets and the NSDP. In line with the priorities of the NSDP II, the JP aims to support the Government of Lesotho to achieve private sector-led economic growth and employment creation, by facilitating creation of conducive policy environment, strengthening PFM processes, providing platforms for dialogue and generating evidence for private–public collaboration. The JP will further enable the government to realize the NSDP II objectives by unlocking opportunities to fast track implementation of the Economic Labs project, which is a government programme towards mobilizing large scale private investments into Lesotho.

The proposed joint programme JP will consolidate the results made by the GoL and her partners in promoting a transparent and equitable public financial management ecosystem through three interlinked programme outputs, thus:

- Implementing a gender-sensitive Integrated National Financial Framework (INFF), to ensure a prioritized financial strategy that preserves fiscal sustainability and stimulate partnership especially with private sector for achieving sustainable development.
- Improving transparency, efficiency and effectiveness of public investment programmes through the strengthening of the capacity of public personnel to develop viable projects and prepare sector development plans that are aligned

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with NSDP II objectives and designed to inform the Medium-Term Expenditure framework (MTEF).
- Establishing a policy framework that fosters dialogue on shared value amongst the Government, CSOs, Parliament, and Private sector to maximize synergy effects and results during implementation of future investments.

10. Keywords:
Integrated National Financing Framework; Development Finance Assessment; sector development plan; MTEF; budget management; private sector; innovations; oversight; Civil Society Organizations; remittances

11. Overview of budget Joint SDG Fund contribution	**USD 997,860**
Co-funding	**USD 108,950**
TOTAL	**USD 1,106,810**

12. Timeframe:

Start date	**End date**	**Duration** (in months)
October 2020	July 2022	22 Months

13. Gender Marker: 14

14. Participating UN Organizations (PUNO) and Partners:

14.1 PUNO
- Convening agency: **UNICEF**
  Fatoumatta Sabally, fsabally@unicef.org, Deputy Resident Representative, +266 5911 5663
- PUNO (1): **UNDP**
  Christy Ahenkora, Deputy Resident Representative, Christy.ahenkora@undp.org +266 5885 1175
- PUNO (2): **IOM**
  Eriko Nishimura, Head of Office, enishimura@iom.int +266 6889 1296

14.2 Partners
- *National authorities*: Ministry of Development Planning; Ministry of Finance, Central Bank of Lesotho; Lesotho National Development Corporation (LNDC); Ministry of Trade and Industry; Ministry of Gender and Youth, Sports and Recreation; Ministry of Agriculture and Industry; Ministry of Tourism, Environment and Culture; Ministry of Communications, Science and Technology; Ministry of Small Business Development;
- *Civil society organizations*: Lesotho Council of NGOs; Federation of Women Lawyers; Women-in-Law in Southern Africa; SMME Support Network Lesotho;
- *Private sector:* Lesotho Chamber of Commerce and Industry; Bankers Association of Lesotho; Insurance Association of Lesotho; Lesotho Tourism Development Corporation; Tourism Board;
- *International Financial Institutions:* International Monetary Fund; World Bank; African Development Bank;
- *Other partners*: European Union; National University of Lesotho; Lesotho Millennium Development Agency; diaspora network.

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

SIGNATURE PAGE

Resident Coordinator Salvator Niyonzima	**National Coordinating Authority** Ministry of Development Planning Principal Secretary ~~Ms Nthoateng Lebona~~
Participating UN Organization (lead/convening) UNICEF Country Representative Anurita Bains	
Participating UN Organization UNDP Resident Representative Betty Wabunoha	
Participating UN Organization IOM Head of Office Eriko Nishimura	

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B. STRATEGIC FRAMEWORK

1. Call for Concept Notes: SDG Financing (2/2019) – Component 1

2. Programme Outcome [pre-selected]

- Additional financing leveraged to accelerate SDG achievement (Joint SDG Fund Outcome 2)

3. UNDAF Outcomes and Outputs

- **Outcome 1**: By 2023, government and non-governmental institutions deliver their mandates and uphold good governance, rule of law and human rights, with all people having improved access to justice and participating in social and political decision-making processes in a peaceful environment.
  - **Output 1.2:** Coordination bodies, oversight, partnerships, structures and systems for implementation of key national frameworks are decentralized, in place and functional at all levels.
  - **Output 1.3:** Government and partners can generate, access and use evidence to inform policy formulation and decisions, relating to the implementation of political, social and economic programmes including SDGs.

- **Outcome 3**: By 2023, government and private sector increase opportunities for inclusive and sustainable economic growth, improved food security and decent work especially for women, youth and people with disabilities
  - **Output 3.2:** Gender responsive and evidence-based policies, strategies and programmes are in place and implemented to generate decent employment and promote green economy particularly for rural and urban youth, migrants, vulnerable women and men, and persons living with disabilities (PLWD).

4. SDG Targets directly addressed by the Joint Programme

4.1 List of goals and targets

SDG 17

- **SDG 17.1** Strengthen domestic revenue mobilization, including through international support to Lesotho, to improve domestic capacity for tax and other revenue collection.
- **SDG 17.3** Mobilize additional financial resources for developing countries from multiple sources.
- **SDG 17.14** Enhance policy coherence for sustainable development.
- **SDG 17.17** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

SDG 16

- **SDG 16.6** Develop effective, accountable and transparent institutions at all levels.

SDG 1

- **SDG 1.a** Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions.

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4.2 Expected SDG impact

- The proposed Joint Programme will enable Lesotho to accelerate efforts towards attaining the SDGs targets by transforming the public finance management (PFM) ecosystem in Lesotho and removing structural barriers to unlock financial flows from domestic and international private sector players (e.g., finance FDI, remittances, green bonds, blended financing, etc.) and from traditional and emerging donors for development financing.
- The JP will directly contribute to achievement of targets of four of the 17 goals, and by multiplier and interconnection effect of the Agenda, impact on goals that are directly aligned to the NSDP II key sectors – 1, 2, 3, 4, 7, 8, 9, 10, 13, 16, 17.
- The JP will contribute to development of SDG-aligned policy planning and financing strategies, which will enhance effectiveness, efficiency and development equity of the national budget resources.
- The JP will facilitate the mobilisation and development of sustainable partnerships for effective implementation of the SDGs and NSDP II, by establishing an enabling environment to effect private sector participation in the implementation of SDGs.
- The JP will facilitate attainment of the 'Leaving No one Behind' principle and promote partnerships for the Agenda by facilitating multi-stakeholder engagement processes, inclusive of private sector, diaspora network, civil society, women organisations, and parliament, and enabling generation of data and evidence to inform development policy, implementation and accountability.

5. Relevant objective(s) from the national SDG framework

The National Strategic Development Plan (NSDP) II is the national blueprint for implementation of the SDGs. The JP is aligned to the following objectives of the NSDP:

- **Key Priority Area 1**: Promoting inclusive and sustainable economic growth and private sector-led job creation (Lesotho National Strategic Development Plan II);
- **Key Priority Area 4**: Strengthening the governance and accountability systems (Lesotho National Strategic Development Plan II)

6. Brief overview of the Theory of Change of the Joint programme

IF there is a clear policy framework for implementing and financing the national development agenda, and there is adequate capacity in government to effectively manage, use and allocate public resources, and there is robust presence of domestic and international private sector and partners, and a more vigilant civil society, **THEN** the Government of Lesotho will be able to create inclusive economic growth and jobs, improve human capital and development, and have a more transparent government, necessary for accelerating achievement of the SDGs targets and NSDP II objectives. These will be achieved through: (i) development of integrated financial and planning systems for implementation of development agenda; (ii) strengthening public financial management processes to ensure budget effectiveness and efficiency; and (iii) promoting private-public partnerships and collaborations in context of the national development agenda and SDGs.

7. Trans-boundary and/or regional issues

Geographic location of Lesotho makes it more dependent on South Africa, with strong economic and social ties. There's a high correlation between Lesotho's economic growth

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South Africa's economic growth. Lesotho imports more than 90% of its goods and serves consumed from South Africa
SACU transfers make 16% of the total revenue in Lesotho, and this has become highly volatile since 2015–16 due to macroeconomic challenges. This has compounded pressure on the locate fiscal space and policy management strategies.

Lesotho receives water royalties from South Africa, under the 1986 Lesotho Highlands Water Project Treaty. The second phase of this project is started in 2019/20 and is expected to have large spillover effects on economic growth and service delivery

A large population of diaspora population is residing in South Africa; as Lesotho is highly dependent on South Africa for skilled and unskilled labour opportunities. The largest volume of remittance inflows to Lesotho, received through both the informal and formal channels, is from South Africa, with more than 70 percent of remittances received through informal channels.

Lesotho is a signatory to the SADC Finance and Investment Protocol for harmonizing financial and investment policies in the region, through coordination and collaboration in the investment and financing sectors, enhancing trade and diversifying productive sectors in the region.

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C. JOINT PROGRAMME DESCRIPTION

1. Baseline and Situation Analysis

1.1 Problem statement (max 2 pages)

The Government of Lesotho (GoL) is implementing the National Strategic Development Plan (NSDP) II (2018/19 – 2022/23), to achieve economic transformation and a private sector-led economic growth and jobs creation. This will be achieved through four interlinked strategic goals: (i) inclusive and economic growth and private sector-led jobs creation; (ii) human capital; (iii) infrastructure development; and (iv) governance and accountability systems[1]. The government has further identified four economic sectors for driving economic growth and jobs creation being (i) manufacturing, (ii) agriculture, (iii) tourism and creative arts, and (iv) technology and innovation.

In view of this and the challenges for achieving the SDGs, Lesotho will need to have in place adequate financing strategies, sources and partnerships to realize sustainable development outcomes. An NSDP financing strategy is being finalized to enable development of investment programmes and resources mobilization to support implementation. The NSDP has integrated the SDGs at the highest level and serves as a blueprint to guide implementation at national level. However, government resources have always fallen short of the national development needs. Lesotho is classified as a Lower Middle-Income Country (LMIC).

The GoL has limited and declining revenue sources that limits its capacity to adequately finance its development programmes including the SDGs. As a percent of gross domestic product (GDP), total revenues declined from 58.5 percent in 2014-15 to 42.6 percent in 2018-19, largely due to unfavorable macroeconomic and fiscal environment[2]. This has resulted in slow growth rates averaging 1.7 percent in 2015-19 contributing to limited Government's financial capacity or fiscal space to finance development objectives. In addition, the socioeconomic uncertainties in South Africa and the volatility of the Southern African Customs Union (SACU) transfers to Lesotho have had negative impact on national revenues. SACU revenue makes almost 16 percent of the revenue for Lesotho, and it has dropped by almost 10 percent since 2017. Other revenue categories include tax (21 percent), non-tax revenue (5 percent), and grants (2 percent)[3]. There are improvements in the tax revenue collection while the non-tax revenue collection is highly erratic.

The other obstacle is the country's capacity to manage collected revenue. Large recurrent expenditures, driven by the public wage bill, absorb about 72 percent of collected revenues leaving very little for public investments that support the implementation of the NSDP II and SDGs priorities and programs. This puts additional pressures on Government's fiscal space and hampers service delivery. Unemployment remains very high at 32.38 percent[4] overall and 43.2 percent among youths leading to slow poverty decline (49.7 percent in 2017-18 against 56.6 percent in 2002-03), wide inequalities (GINI of 44.6 percent in 2018), and low Human Development Index (of 0.52 in 2019). While women enjoy high representation in government and in parliament (25 percent), employment outcomes are uneven. Women

[1] National Strategic Development Plan 2018/19 – 2022/23
[2] UNICEF Lesotho 2019/20 - National Budget Brief, November 2019.
[3] PER 2018
[4] Bureau of Statistics, 2014

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

also tend to have better education and health outcomes in Lesotho, but only earn 30 percent of the national income.

Despite Government high expenditure on the social sectors, performance in these sectors is poor, due to persistent budget execution challenges and weak alignment to the NSDP priorities. For instance, health budget allocations increased in the period 2016-17 to 2019-20, from 10.1 percent to 12.8 percent, but health outcomes remain poor. The incidence of HIV (1.1 percent) and TB (611/100 000) are among the highest in the world, 33 percent of children under 5 are stunted, reaching up to 46 percent in foothills and 44 percent in mountains. Maternal mortality is among the highest in southern Africa with the rate of mother-to-child HIV transmission of 11.9 percent. Persistent bottlenecks in the health sector's procurement process explain at least part of health sector's poor results[5].

Lesotho is also susceptible to climate and environment-induced shocks, with significant implications for agriculture, food security, poverty and vulnerability. Investments in this area have resulted in less than expected outcomes, leading to low progress in agriculture productivity and increasing vulnerabilities, especially in rural areas. Due to budgetary constraints, the GoL is often ill-prepared to respond to emerging disasters, which exacerbates vulnerability and poverty within the populace.

The public sector is the main financier for capital investment in Lesotho, with government contribution to national investment averaging 12 percent of GDP[6]. This budget is predominantly allocated to infrastructure, energy and finance projects, however, the returns in key areas such as 'electricity and irrigation for agricultural activities' remain suboptimal. Although Lesotho has adopted the Public Sector Investment Programme (PSIP) to strengthen planning processes, most capital projects have long gestation phase which depletes public funds and contributes to the overall low returns from capital investments. Due to unclear prioritization and sequencing of projects in the PSIP, and political influence, capital budget allocation is a challenge. The public investment budget execution is further undermined by limited absorptive capacity of ministries to spend allocated budgets. The execution rates of capital budgets in health, education, agriculture, and water and energy were 19.7 percent, 29.1 percent, 22.3 percent, and 44.5 percent in 2018/19, respectively.

General political instability also compromises government effectiveness and puts more pressure on the fiscal space. Lesotho has had 3 elections between 2012 and 2017. The shortened election cycles and subsequent changes in government have resulted in budget overruns, compromised service delivery and created operational bottlenecks. The Open Budget Index scored Lesotho zero on budget transparency and participation, and 0.31 on oversight in 2017. Thus, the limited oversight function by Parliament also impacted on the budget management, performance and effectiveness. Also, there are still weaknesses in participation and transparency due to limited engagement and participation of the civil society in the budgeting processes.

The ongoing economic and business environment reforms have improved conditions for doing business in Lesotho. Lesotho's ranking in the World Bank Ease of Doing Business Index rose from 153 in 2012 to 122 in 2020[7], due to streamlined processes for registering a business and enhanced mechanism for access to credit. However, challenges remain to

[5] See "Absorption Capacity of the Ministry of Health Budget in Lesotho: Understanding the challenges and opportunities of the procurement system", November 2019. UNICEF and World Bank.
[6] World Bank PER 2018
[7] See page 14 "United Nations Development Assistance Framework 2019-2023", UN Lesotho

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

enable effective and diversified private sector, to expand opportunities for investment and participation in sustainable development. Lesotho has a relatively small private sector complement, with almost 80 percent SMMEs and the rest being state-owned enterprises, financial sector, foreign-owned retail chain stores and communication companies. The weak regulatory, legal and policy frameworks for private sector engagement and lack of requisite capacities for tapping into the private resources have prevented the Government from tapping into private sector sources to support development agenda. Private sector investment is estimated at about 10 percent[8] of GDP. On the other hand, foreign direct investment (proportion of GDP) has steadily declined from 4.94 percent in 2015 to 1.45 percent in 2018.

Lesotho remains dependent on remittances; with remittance flows accounting for 17.5 percent of the country's GDP. Despite their significance to economic development, the remittance infrastructure in Lesotho is poorly developed, as evidenced by the heavy dependence on informal transmission mechanism, often relying on family and social networks. While there are emerging corridors for remittance transmission, transaction costs are prohibitive and rural areas are poorly served by these service providers as they are exclusively located in urban centers around the country. Further, absence of remittances regulatory framework, limited knowledge and statistical evidence on remittance flows and its development impact in the country, the government is also unable to tap into these resources for investment formation and facilitative investments.

In this regard, the proposed JP will consolidate the results made by the GoL and her partners in promoting a transparent and equitable PFM ecosystem by addressing the following key challenges. First, there is a lack of key financing solutions to improve the Government's fiscal space for sustainable implementation of SDGs and NSDP II objectives, such as those emanating from Development Finance Assessment (DFA), gender responsive INFF, and participatory and inclusive decision-making guided by strong oversight and multi-stakeholder coordination platforms for accelerated result attainment. Second, there is a lack of an overarching regulatory framework and coordination mechanisms for the private sector, which prevent attracting sustainable and inclusive private investments and developing public-private partnerships (PPP) for SDGs and NSDP II implementation, including for strengthening the impact of remittances at both national and sub-national levels. Third, the Government faces a challenge in its efforts to boost value for money especially for public investments due to budget credibility and absorptive capacity issues. The PFM system needs to develop mechanisms that enable a budget management process aligned with SDGs and NSDP II objectives and easy to track by relevant stakeholders, including women associations, youths, private sector, parliament, and vulnerable groups.

The JP will mobilize technical support and partnerships with international financing institutions (IFI) such as the World Bank and African Development Bank, also taking advantage of the ongoing support to the Ministry of Finance and Ministry of Development Planning for PFM reforms. The JP will further draw lessons from the ongoing European Union (EU) support for modernized PFM regulatory framework, to ensure timely budget reporting and increase governance and institutional management. The EU experiences will also be important for enhancing governance and monitoring through inclusion of CSOs to solidify budget transparency.

[8] Estimated as the difference between gross fixed capital formation (percent of GDP) from World Development Indicators (2020) online (22.04 percent in 2018) and 12 percent of GDP for public investment estimated in the PER 2018.

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Joint experiences, lessons and comparative advantages of the PUNOs will be used to maximize potential for results and effective implementation of the JP. UNDP has strengthened the capacity of the Ministry of Development Planning (MoDP) to collect and analyze data for effective SDG/NSDP monitoring and reporting, policy planning, and SDGs integration and mainstreaming into the national development plans. UNICEF has contributed to increased budget transparency, credibility and accountability through inclusive dialogue, sub-national level budget consultations, and training on public finance for children for CSOs, public officials, and Parliamentarians.

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

1.2 SDGs and targets (max 2 pages)

(a) Table 1: List of Selected SDGs Target for the Joint Programme

SDG	TARGET	INDICATOR *With baseline data*	METHOD OF MEASUREMENT
1. End poverty in all its forms everywhere	1.a Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions	1.a.1 Proportion of resources allocated by the government directly to poverty reduction programmes (water, health, education, social protection) *Baseline: (2019/20)* Water: 3.0% Health: 12.8% Education: 13.8% Social Protection: 11.2% 1.a.2 Proportion of total government spending on essential services (education, health, social protection, and water) *Baseline: (2019/20)* Water: 1.8% Health: 12.9% Education: 14.9% Social Protection: 14.1%	Data collected from the IFMIS and CBMS platforms
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.6 Develop effective, accountable and transparent institutions at all levels	16.6.1 Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar) *Baseline: 83.13 (2018/19)* 16.6.2 Proportion of the population satisfied with their last experience of public services	Quantitative data from the IFMIS and CBMS (BOOST) and Budget Speeches Rapid survey on public

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SDG	TARGET	INDICATOR *With baseline data*	METHOD OF MEASUREMENT
		Baseline: No data	service satisfaction Public Expenditure Tracking Survey (PETS) for key sectors
17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection	17.1.1 Total government revenue as a proportion of GDP *Baseline: 46.84%* (2019/20) 17.1.2 Proportion of domestic budget funded by domestic taxes *Baseline: 79.31% (2019/20)*	Budget Speeches and National Budget Briefs
	17.3 Mobilize additional financial resources for developing countries from multiple sources	17.3.1 Foreign direct investments (FDI), official development assistance (ODA) and South-South Cooperation (SSC) as a proportion of total domestic budget *Baseline: No data* FDI: 5.61% ODA: 21.54% SSC: No data 17.3.2 Volume of remittances (in United States dollars) as a proportion of total GDP *Baseline: 17.5 (2019/20)*	World Development Indicators Online and Lesotho Budget Speeches
	17.14 Enhance policy coherence for sustainable development	17.14.1 Number of countries with mechanisms in place to enhance policy coherence of sustainable development *Baseline: No data*	Qualitative data from the DFA process

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

SDG	TARGET	INDICATOR *With baseline data*	METHOD OF MEASUREMENT
	17.17 Encourage and promote effective public, public private and civil society partnerships, building on the experience and resourcing strategies of partnerships	17.17.1 Amount of United States dollars committed to public-private and civil society partnerships *Baseline: No data*	

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

(b) Interlinkages amongst the SDGs and opportunity for systemic change

The choice of the SDGs is based on two strategies: (i) the NSDP II objectives for the development of a private sector-led economic growth and jobs creation, focusing on such sectors as manufacturing, agriculture, tourism, technology, health, education, social protection, and climate change mitigation and adaptation; and (ii) the need to consolidate the fiscal space by putting in place the enabling environment that will help address key bottlenecks on the public expenditure front through enhancing transparency, efficiency, effectiveness and accountability and on the public revenue front through unleashing private sector investment opportunities for strong economic growth, shared prosperity, and maximization of resources mobilization. Relying on the sustainable financial outcomes derived from this enabling environment, there will be an acceleration of the attainment of interlinked SDGs and NSDP II targets.

The JP will enable mobilization of resources by facilitating development of new partnerships and mechanisms for diversified resources mobilization, including from the private sector and remittances, and enable optimal results from public resource investments by: (i) providing skills to public personnel to better appraise, prioritize, target, implement, and monitor public capital investments, and (ii) strengthening the capacities of stakeholders involved in the monitoring and oversight of budget allocation and execution – Women Associations, Youths, Parliament, etc. – and implementation of PFM reforms in both Ministry of Finance (Budget Department, IFMIS Support team, etc.) and Ministry of Development Planning (PSIC, Aid Coordination entities, etc.). This will broaden the fiscal envelope thus, make more resources available to finance investments in the key sectors, including health, education, agriculture, and tourism, thus ensure inclusive development results in the context of the leaving no one behind principles of the SDGs.

The JP will further mobilize partnerships for sustainable development, which would enable innovations, skills and technology transfers for accelerating implementation of the Agenda 2030, thus improve inclusive public service delivery and investments in strategic sectors such as energy and tourism, at both national and sub-national levels. The JP will also enable sector–based policy mapping and prioritization, identifying potential multipliers in the context of the SDGs and NSDP. This will help define policy (actions, budget, spending, impact, and transparent reporting) focus in the short, medium and long term, for successful implementation of the SDGs through a clear alignment between budget allocation and spending.

1.3 Stakeholder mapping and target groups (max 2 pages)

The main stakeholder in this JP is the ***Government of Lesotho***. Through the NSDP II, the Government has committed to implementing strategies towards a private sector-led economic growth and jobs creation. The Government is further implementing various transformative reforms in PFM, private sector engagement, political and economic governance to accelerate achievement of this objective. These reforms include the public sector modernization programme to strengthen public administration and improve resource management, the advanced infrastructure development programme for jobs creation and economic growth, the smallholder agriculture development programme to generate sustainable income and nutrition through climate smart activities and the Economic Labs project to attract private sector investments (as listed in Annex 1). The programme will be delivered through the Ministry of Development Planning and Ministry of Finance.

> ***Ministry of Development Planning.*** The Ministry is responsible for policy planning, monitoring and evaluation, and resources mobilization. The Government has

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launched the Big Fast Results Methodology, private sector-led methodology to implement NSDP II and mobilize private investments with limited impact. The Ministry has also adopted the Lesotho Partnership Policy to ensure adherence to the Agenda 2030 principles of Paris Declaration and Addis Ababa Action Agenda for mobilizing and managing partnerships for sustainable development. These frameworks will be used during the implementation of the Lesotho JP programme as they represent facilitating factors to build upon to strengthen the mechanisms for development financing.

***Ministry of Finance**. The Budget Department of the* Ministry of Finance is the custodian of public funds. It is responsible for budget formulation, execution, monitoring and evaluation, for coordinating the central Medium-Term Fiscal Framework (MTFF) and for ensuring that sound and reliable financial systems are in place and adhered to by spending units.

***Ministry of Gender and Youth, Sports and Recreation**.* The Ministry will ensure mainstreaming of gender in the implementation of the programme and government budgeting processes.

***Other Government Ministries**.* In the context of the Government objectives for employment creation and inclusive economic growth, the JP implementation will also involve the following ministries: *Ministry of Trade and Industry, Ministry of Agriculture and Food Security, Ministry of Tourism and Environment, Ministry of Communications, Science and Technology, Ministry of Gender and Youth, Sports and Recreation, Ministry of Health. and Ministry of Education.*

Other Government agencies:
Lesotho National Development Corporation (LNDC), for mobilization of foreign and domestic investment into the identified development sectors. LNDC is an implementing arm for the Ministry of Trade and Industry for trade and industrial development in the country. It is also responsible for mobilizing most of the foreign investors in the manufacturing sector.

Lesotho Tourism Development Corporation (LTDC) is responsible for marketing and mobilizing investments in the tourism industry in Lesotho.

***Parliament**.* The Parliament plays three pivotal roles: (i) approval of national budget; (ii) budget oversight on public funds through its various cluster committees such as Economic Cluster Committee, Social Cluster Committee, etc.; and (iii) putting in place relevant legislation. The JP will complement previous efforts by both UNDP and UNICEF for oversight on public policy and resources, including the SDGs, through development of requisite skills and tools to foster the demand for budget transparency and accountability.

***Civil Society Organizations**.* The GoL is in the process of developing a policy framework that will facilitate and enhance partnerships between the Government and the CSOs, which will enhance collaboration and environment for CSO-government dialogues. The JP will develop capacities to promote transparent, inclusive and gender-sensitive budgeting processes, demand for accountability, and facilitate technical skills and localized budget dialogues to inform policy formation. The JP will ensure participation of women organizations, youth-led organizations, to inform budget decision and policy making in this regard. CSOs will partner with the Ministry of Finance and Ministry of Development Planning to improve the targeting of citizens who will participate in the design and implementation of

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resource mobilization frameworks, budget preparation instruments – at both executive and legislature levels and reporting and dissemination events on SDG achievements.

They will contribute, particularly, to (i) improve fiscal policies and evidence-based public debates on budgets (allocation and spending) by providing information on public needs and priorities through their connections with citizens, communities, and sectors; and (ii) support strengthening of domestic institutions sustainably for more accountable and effective public financial management. They will have the responsibility to hold regular dialogues with policy makers to orient national budgets on the priority investments, addressing the needs of deprived and marginalized citizens and unlocking business opportunities and job creation in communities.

Private sector networks. The Lesotho NSDP II is encouraging pro-private sector-led economy, making private sector engagement an important aspect in the implementation of the national development agenda and SDGs. The JP aims to strengthen the government-private sector engagement and create a conducive environment to catalyze resource flows from private sector to complement the fiscal space – that is the financial capacity of the government – and access to finance (size and mix) for development priorities. Examples of target private sector players under this JP include the financial sector (bankers and insurance companies) and mobile network operators (Econet and Vodacom) to enable development of diversified financing solutions and advance inclusive finance in Lesotho.

In partnership with the GoL, the private sector is expected to (i) contribute to the quality of investment projects in the INFF based on robust evaluations of economic and environment impacts; (ii) channel domestic and foreign funds from private players to the national investment program through inter alia PPPs; (iii) identify critical business bottlenecks for the GoL to address which will foster the swift implementation of future private investments; and (iv) identify and participate in relevant (domestic and international) trade negotiations and image branding events meant to promote Lesotho as a suitable destination for private promoters which assures efficient costs of doing businesses.

Diaspora networks: The project will take an inclusive and participatory process during the rapid assessment on remittance and policy development. Built upon the established network with diaspora mainly in South Africa, the JP will contribute to the further expansion of the diaspora network, as well as the implementation of Lesotho National Diaspora Policy towards further diaspora engagement contributing to the economic development of the country.

Development Partners. The GoL has established a joint Aid Coordination Forum to streamline dialogue, harmonize aid flows and enhance mutual accountability. Lessons from this platform will be used to establish a multi-stakeholder dialogue and partnerships for resources mobilization, programme implementation and budget allocations. Further, implementation of the JP will complement ongoing efforts by the World Bank, IMF, African Development Bank, European Union, UNDP, UNICEF and other partners in the public financial and economic policy management as follows:

- **UNDP** is leading support to the ongoing reforms for economic and political governance, and coordinates with GoL, partners and stakeholder engagement on this process. Further, the Agency support to public sector policy and development, SDGs integration, capacities for budget data management, and monitoring and evaluation of programme budgeting, will be necessary for development of the DFAs, sectoral development plans and policy trade-offs and

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prioritization as well. Synergies between UNDP and UNICEF will be constantly sought for to maximize the JP implementation results in Lesotho.

- ***UNICEF*** support to the Ministry of Finance has focused on ensuring budget transparency, credibility and accountability by enhancing the knowledge of citizens through sub-national level budget consultations, supporting implementation of the budget transparency plan toward strengthening the completeness of budget reporting, and providing global knowledge through the Open Budget Initiative to enhancing budget transparency, accountability and participation, and oversight and audit. To improve informed decision making that has also benefited from UNICEF internal expertise on public finance for children through hands-on training to stakeholders, the JP funds will allow UNICEF to continue supporting advocacy and dialogues with different population groups including children and women. The JP will also help UNICEF support better prioritization and alignment of Lesotho's development objectives with SDGs and NSDP II through for instance the promotion of sectoral development plans and related medium-term expenditure frameworks (MTEF), and the provision of technical assistance and internal expertise to adjust the chart of accounts (CoA) for budget alignment to SDGs and national development plans.
- ***IOM:*** known as UN Migration Agency that has been supporting the GoL in engaging with Basotho diaspora abroad through inter-ministerial working group led by Ministry of Foreign Affairs and International Relations, participated by Ministry of Development Planning, Finance, Trade, Home Affairs, Labour and Employment, LNDC, Central Bank and academia. IOM supported the development of Lesotho National Diaspora Policy. Among other priority activities, facilitation of diaspora investment and increase access to affordable remittance by rural populations were part of the Diaspora Engagement Roadmap which is annexed to the policy. In this proposed project, IOM will lead the rapid assessment of formal and informal remittance, research aiming to facilitate diaspora investment in Lesotho, and develop remittance policy.
- ***Other UN agencies.*** Based on the comparative advantages per agency, the expertise of agencies will be necessary to complement implementation of the JP.
- ***European Union*** has been supporting the Ministry of Finance (MoF) on implementing a modern PFM regulatory framework that ensures timely budget reporting (allocation, spending, and disbursement) and integrity of budget data. Social accountability has also been supported through inter alia the institutionalized preparation and publication of citizens budgets in the MoF's website. This product is a key contributing factor in the Open Budget Index.
- ***World Bank*** has supported development and implementation of the public sector reform agenda and has led development of the Public Expenditure Reviews, focusing on the general budget, the health sector and the education sector. Through the JP, the PUNOs will collaborate with the World Bank to undertake sectoral reviews to inform sectoral planning and budgeting processes, along the same lines that governed the joint study carried out in 2019 on the absorptive capacity of the public health sector in Lesotho.
- ***African Development Bank (ADB)*** has supported the implementation of public procurement reforms to improve procurement, external audit, and National Assembly oversight. This will be important for the development of the sectoral MTEFs and budget execution support.

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2. Programme Strategy

2.1. Overall strategy (max 2 pages)

The goal of this JP is to support Lesotho to establish a functional and sustainable integrated planning and PFM ecosystem that contributes to accelerated achievement of the SDGs targets and the NSDP. In line with the priorities of the NSDP II, the JP aims to support the Government of Lesotho to achieve private sector-led economic growth and employment creation, by facilitating creation of conducive policy environment, strengthening PFM processes, providing platforms for dialogue and generating evidence for private–public collaboration. The JP will further enable the government to realize the NSDP II objectives by unlocking opportunities to fast track implementation of the Economic Labs project, which is a government programme towards mobilizing large scale private investments into Lesotho.

The JP is aligned to the Outcome 1 and Outcome 3 of the Lesotho UNDAF and enables the UN to contribute to ensuring existence of accountable and transparent government in Lesotho for accelerated delivery of the SDGs targets. The JP also enables the UN Lesotho to fulfill its commitment to supporting the national development agenda by mobilizing requisite resources for development. The proposed interventions are also aligned to the financing for development (FfD) objectives of the UN, thus enabling the GoL to fulfill its commitments for mobilizing funding for sustainable development. The programme will be jointly implemented by UNDP, UNICEF and IOM, and supported by the UNCT Lesotho.

To achieve this goal, the overarching strategy of the JP is first to support the GoL to develop a robust and risk-informed INFF that will contribute and restore confidence of private players in public decision-makers, attract innovative private sector resources, and allow the PFM system to sustainably increase value for money from public capital investments while bolstering credibility, transparency, efficiency, effectiveness, and participation in budget management, monitoring and reporting, following the COVID-19 response. This will be delivered by adopting a multi-faceted approach that facilitate coordination, collaboration and capacity building, also based on the comparative advantages of participating UN agencies for strengthening government systems and policy, and private sector mobilization. The JP will focus on solutions with substantive multiplier effect and emphasize multi-stakeholder engagement to maximize potential for impact. At the high level, the programme targets the key economic growth sectors – manufacturing, agriculture, tourism and technology – to facilitate integrated planning and financing mechanisms but will also target individual ministries and sectors to pilot initiatives to achieve budget effectiveness and efficiency objectives.

The JP will advocate for a human rights-based and gender–sensitive policy and legal framework and ensure development of context specific strategies by engaging multi-stakeholder platforms and generate policy-informing evidence and data. In collaboration with the lead government ministries, the JP will mobilize participation of key government ministries, including Ministry of Trade and Industry, for private sector engagement, and Ministry of Gender and Youth, Sports and Recreation for gender-mainstreaming. The JP will further engage the civil society and private sector networks for improved advocacy, monitoring and oversight on the public policy and financial management in context of the SDGs and NSDP II objectives and public budget. The JP also targets the Parliament to ensure budget transparency, oversight and accountability to influence potential for maximum results through SDGs and NSDP-aligned budgeting process and execution. This will also enable integration of the principle of Leaving No One Behind, through the proposed platforms for dialogues, and building capacities of CSOs, including woman-led organizations.

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The JP will also complement and harvest lessons and results from some of the ongoing programmes and evidence aimed at consolidating and building capacities for policy and financial management. Some of the main partners in the agenda for PFM reforms in Lesotho are World Bank, International Monetary Fund, African Development Bank and the European Union. The JP will collaborate with these institutions to harmonize the programme approach, reduce redundancies and overlaps, and ensure coordinated engagement with the partner ministries. The recommendations from the World Bank Public Expenditure Review 2018 were useful to underpinning some of the major challenges for public financial and policy management landscape; through the JP, the PUNOs will partner with the World Bank to review and implement some of the recommendations.

The JP will take advantage of the variated experience, synergies and comparative advantage of resident and non-resident UN agencies on working with Government in different development programmes to mobilize technical support, South-South collaboration (SSC), and strategic partnerships to ensure sustainable programme results. The relationship between the PUNOs and the Government will enable collaborative engagement and cooperation between the participating government departments. The UN is considered as a neutral partner and convener and will use this to facilitate platforms for multistakeholder dialogues and engagement. As a technical lead for implementation and localization of the SDGs, the UN will work together to ensure continued dialogue and advocacy for SDGs, facilitating mainstreaming into national planning and financing programme and processes.

The JP will be implemented in partnership and coordination of with the Ministry of Development Planning (MoDP) and MoF, to ensure government leadership, coordination and ownership of programme results. The Government will appoint programme focal points who will provide strategic leadership for implementation of programme activities and ensure engagement of all relevant stakeholders. The Government will co-chair the programme steering committee to provide additional oversight and facilitate ownerships of the programme results. Through the MoDP and Aid Coordination Unit, the Government will strengthen donor coordination for support to the PFM and economic policy to harmonize implementation and synergy. The Government will champion and advocate for the programme and facilitate a change process to ensure adoption of developed strategies, policies and legal frameworks.

At the end of this joint programme, the GoL will have established an integrated and inclusive financial and planning ecosystem that enables accelerated implementation of the SDGs and NSDP II. Budget allocation will be aligned to the NSDP and SDGs, thus enabling the Government to realize value for money and equity from public resources, increased efficiency and effectiveness budget execution, and quality public capital investments. The Government will be in a better position to attract and retain partnerships and alternative financing mechanisms, including from both domestic and international public and private sector.

2.2 Theory of Change

If there is a clear policy framework for implementing and financing the national development agenda; if there is adequate capacity in the Government to effectively manage, use and allocate public resources; and if there is robust presence of domestic and international private sectors and partners, and a more vigilant civil society, then the GoL will be able to achieve inclusive economic growth and create jobs, improve human capital development, and have more transparent government, necessary for accelerating achievements of the SDGs target and NSDP II objectives.

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The following three outcomes will contribute to the achievement of the goal.

(i) development of an integrated financial and planning systems for implementation of development agenda;
(ii) (ii) strengthening PFM processes to ensure budget effectiveness and efficiency; and
(iii)(iii) promoting private-public partnerships and collaborations in the context of the national development agenda and SDGs.

(i) Development of an integrated financing and planning system:

Working with the government through the MoDP and the MoF, the UN JP will support development and implementation of the integrated national financing framework (INFF) to help strengthen policies and adopt result-oriented strategies and actions for mobilizing different types of finance for sustainable development, to help address the socio-economic impact of the COVID-19 and facilitate economic recovery. With technical support from the UNDP Finance Hub, the government will be assisted to undertake the Development Finance Assessment (DFA); a diagnostic assessment and baseline for the INFF process. As a foundation, this process will enable Lesotho to establish the financing needs, sources and assess effectiveness of existing financing policies and strategies that will help the county also address the recovery needs, revive economic activity and establish economic resilience. This will also update the financing flows assessment supported by UNDP in 2017 and enable the country to establish a roadmap towards implementation of the INFF, in line with the recommendations of the Addis Ababa Action Agenda (AAAA). The INFF will ensure coherent policy framework, trade-offs and better alignment to national priorities and help establish financial market incentives for improved development impact.

To assure the final INFF is owned by all stakeholders and implemented timely, it is presumed that the GoL would provide all participants (private sector, representatives of communities, and CSOs) with space to be involved in the INFF process through dialogues to ensure that all voices and concerns are heard and accounted when determining those private players who will be supported by public investments. Integrated national financial framework

Next, the UN JP will support transparent implementation of the national development agenda by helping the GoL align NSDP II objectives with SDG targets. The GOL is developing an NSDP Financing Strategy, to consolidate the public sector investment programme (PSIP) and determine related financing needs, which does not provide such alignment at the SDG target level. The Strategy will also facilitate integration of national planning and public budgeting processes, and based on the findings of the DFA, facilitate alignment of policy and regulatory frameworks for private financing, and strengthened macro-prudential management. The strategy will also identify capacity gaps and other constraints to implement and support necessary capacity building of both public and private sectors. To prepare a Financial Strategy, enabling efficient tracking of SDG targets and informing long-term resource mobilization, a dedicated technical committee with a mandate to closely monitor the SDG alignment process will be established. Led by the Ministry of Development Planning, this committee will comprise representatives of inter alia the LNDC, Bureau of Statistics, Accountant General's Department, and SDG technical team..

Lastly, in collaboration with the key government ministries and in consultation with different stakeholders, the JP will support implementation of an inclusive framework for integrated financing solutions, to ensure monitoring, ownership and sustainability of interventions. The JP will support the government to strengthen coordination and establish a multi-stakeholder and multi-agency platform to facilitate dialogue and partnerships in the context of the

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Agenda 2030. A strong multi-stakeholders' coordination platform requires that the MoDP accelerates review of the mandate and formation of the National Aid Coordination Forum to expand membership role and facilitate both high- and technical- level coordination to aid reforms process. This process will also enable strategic alignment to the ongoing national reforms process to ensure harmonized recommendation and implementation of the INFF.

(ii) Strong PFM systems and capacitated public personnel:

In order to strengthen PFM and optimal development outcomes, the JP will strengthen the capacity and leadership of the MoF for effective budget management, allocation and reporting by promoting an integrated process for development planning and financing. While the NSDP II has fully integrated the SDGs at the strategic goal level, further assessment of integration will be undertaken to enhance sectoral policy alignment and coordination by developing the sectoral plans and MTEFs. Firstly, the JP adopt the i-SDG model to help Lesotho to empirically determine the SDGs priorities, synergies, interlinkages and multiplier effects across sectors in the context of the national development agenda and integrate the SDGs into the Development Plan. This will help establish a sectoral architecture that is aligned to NSDP and SDGs and enable the country to navigate the challenges brought by the CIVID-19 pandemic, while facilitating progress toward achievement of the SDGs. The effective adoption of the i-SDG model will also critically depend on the GoL's commitment to maintaining the momentum of reforms for improved budget credibility.

Secondly, to enable policy and budget prioritization, the JP will pilot sector development plans and the associated MTEFs to link the annual budgets to desired development outcomes in the Ministries of Education, Health, Agriculture and Tourism. The MTEFs are expected to help these ministries and the MoF to monitor budget performance in the context of sector development plans and facilitate reallocation and reprioritization at sectoral level. Based on the lessons and experience from supporting capacities for budget planning and execution, UNICEF will work with the MoF to create a systematic process that integrates budget planning, implementation and execution, and subsequent reporting. For timely implementation of prioritization process, a precondition is that the JP helps further accelerate adoption of the new CoA to streamline SDGs and NSDP II alignment in the budget process to enhance budget transparency, efficiency and effectiveness.

Third, for improved budget efficiency, effectiveness and inclusiveness, UNDP and UNICEF will work with the parliament and civil society, increasing their capacities and developing supportive tools to enhance budget oversight, monitoring and accountability. The UN has been supporting the Parliament to strengthen the oversight mechanisms for SDGs implementation; this support will therefore enhance SDGs – alignment and overall budget effectiveness. In collaboration with the EU, the UN will further support the civil society and integrate women-led organizations to enhance gender-based budgeting, budget monitoring and advocacy. The programme will establish open mechanisms for budget analysis, dissemination and dialogue that to influence budget decisions and development policy.

Lastly, as part of the capacity building for effective and efficient capital budget execution, the JP will support the MoDP to review the PSIP to ensure quality and viability of public capital projects and strengthen the appraisal, financing, monitoring and oversight processes. The JP will also pilot an open technology-based management system, linked to IFMIS, to monitor private and public financing flows for transparency and accountability of resources in the context of the NSDP and SDGs priorities. To facilitate this integrated

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management system, the GoL will complete the ongoing IMF supported training program on IFMIS utilization, strengthening the skills in all line ministries and other spending units.

(iii) Promoting private sector and partnerships for implementation of SDGs and national development

In order to strengthen private sector participation and contribution to development, the JP will support development of an enabling environment and mechanisms to facilitate opportunities for increased private resource flows towards sustainable development objectives. The first step will be to understand the local private sector context, legal framework and constraints to effective contribution to the national development agenda. This will be used to develop the private sector development strategy and public-private partnerships framework that enable the government to tap into private and other resources to finance development programmes. Linkages and collaboration with the ongoing development programmes supported by the World Bank and the African Development Bank will be necessary to eliminate potential overlaps and to maximize potential results. To quickly achieve these results, training programmes targeting both private sector and public sector will be first and foremost rolled out to enable identification and implementation of SDG-aligned innovative financing mechanisms.

Second, in the context of the national Investment Policy and in collaboration with the Ministry of Trade and Industry and the LNDC, UNDP, IOM and UNICEF will help establish an inclusive investment coordination forum which will lead development and implementation of NSDP aligned investment strategies and forums. In support of the Economic Labs programme, the JP will mobilize private investors and facilitate matchmaking forums to attract equity financing and partnerships. To inform the investment decisions, the programme will enlist the support of the academia to undertake research and sectoral analysis to inform programme prioritization and attract potential opportunities, particularly in the priority sectors. The JP will also support Lesotho to review the national Partnership Policy to define better and accommodate other types of financing mechanisms, establish incentives for different players and enable resources mobilization from both traditional and emerging donor.

Lastly, in order to leverage alternative sources of financing, IOM will support the government to exploit potential technical and financial resources from the diaspora. Given the size of Basotho diaspora population, especially residing in South Africa, it is established that there is a large volume of remittances that are not captured in the national statistics. IOM will engage the Central Bank of Lesotho, Ministry of Foreign Affairs and Ministry of Home Affairs to develop a national Remittance Policy, that will allow Lesotho to strengthen transfer mechanisms and financing inclusion. IOM will assist the government to assess the effectiveness of the existing remittances corridors and transmission services to reduce barriers to access especially for the low- income users. Using results from the diaspora engagement platforms in 2018/19, IOM will also work with the Ministry of Trade and Industry and LNDC to engage the diaspora and update on opportunities for participation.

Assumptions

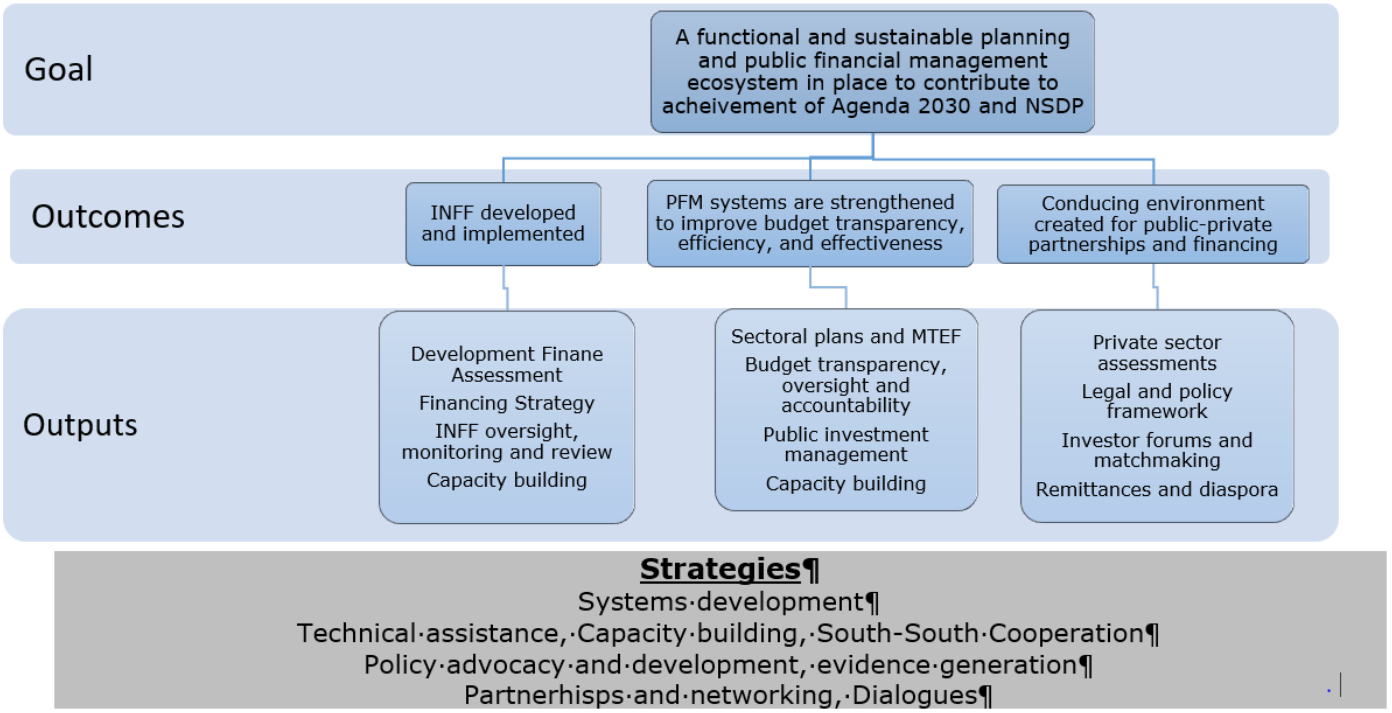
Following are the key specific assumptions that will contribute to the achievement of the outcome and thereby the goal.

- The GoL is committed to finalizing the ongoing reforms for economic and political governance to fast track the implementation of the integrated national financing framework.

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- There is political will to mobilizing private sector participation in the implementation of the NSDP II.
- Private sector, civil society and diaspora members are willing to participate and contribute to the policy discussions, formulation and assessments.
- Private sector takes advantage of the reforms and changes in the business environment.
- There is continued strong coordination and leadership in the MoF and MoDP to influence adoption of proposed changes in the planning, management and execution of the budget.
- There is adequate demand for budget transparency, participation and accountability within the Parliament, Civil Society, Academia, and Private Sector to ensure inclusive and responsive budgeting process.
- There is stability in government.
- There is cooperation from the partner ministries as intimated through the memorandum of understanding

Figure 1. Theory of Change



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2.3 Expected results by outcome and outputs

Outcome/Outputs	*Description*	*Required preconditions and capacity in government*
Outcome 1. Strengthened and gender responsive INFF is developed and being implemented		
Output 1.1. **Development Finance Assessment (DFA)**is undertaken, and a roadmap for INFF implementation	• Update the assessment of the financing trends and needs, with dissemination and implementation of results • Capacity building and stakeholder and institutional architecture mapping • Assess level of integration between planning and financing policies, institutional alignment and capacities for financing implementation of SDGs and NSDP II	• Availability of macroeconomic and budget data, policies and analytical products and information on public financial management, budgeting processes, institutional and legal framework • Government buy-in for the DFA process to be undertaken and development of the INFF • Active participation of non-state organizations such as women associations in the DFA/INFF consultative processes and dialogues • Policy mapping based on the NSDP priorities
Output 1.2. **A financing strategy** aligned to the SDGs and the NSDP II is developed and implemented to support the national resources mobilization efforts	• Costing of SDGs, that is aligned the NSDP Financing strategy • Development of policies for public sector financing, private sector financing and other non-financial methods of implementation	
Output 1.3. Effective mechanism for **INFF oversight, monitoring and review** consolidated to improve ownership and political leadership/stewardship for implementation of the INFF	• Advocacy and appointment of INFF steering committee that is aligned to the ongoing national reforms agenda to ensure political leadership and ownership • Strengthen coordination mechanisms and establish an inclusive NSDP and SDGs-aligned INFF technical committee • Provide technical support and skills to the INFF oversight committee • A multi-stakeholder platform including	

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Outcome/Outputs	***Description***	***Required preconditions and capacity in government***
	representation of government, civil society groups, women and youth-led organizations, development partners, private sector and academia • Review the formation of the existing aid coordination forum for inclusivity and expanded mandate	
Outcome 2. PFM systems are strengthened to improve transparency, efficiency, and effectiveness in public spending and policy		
Output 2.1. Mechanisms for NSDP/SDGs-aligned planning and budgeting frameworks (MTEF) piloted	• Integrated definition and scope of the Lesotho's sectoral architecture and development of supportive tools for policy planning, programming and budgeting • Develop sector MTEFs in pilot sectors (education, agriculture, tourism) • Capacity building to public officers in planning, finance and audit functions on policy alignment and budget prioritization • Development of relevant tools for expenditure tracking in relevant sectors	• Existence of a National Investment Policy to guide the investment regime and related processes • Strong institutional coordination and collaboration for investment promotion • Existing capacities for budget forecasting and expenditure ceilings' determination • Ease of access to data generated from the budgeting processes and systems
Output 2.2. Mechanisms and capacities of relevant stakeholders strengthened to improve budget transparency, participation and fiscal accountability	• Develop skills and tools to Parliament for budget management, analysis, oversight and accountability • Develop skills and tools to civil society organizations, women associations and media on social accountability and participation to budget planning and execution	• Coordinated network for CSOs, for women's organizations and media • Functional national Bureau of Statistics

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Outcome/Outputs	***Description***	***Required preconditions and capacity in government***
	• Develop a standardized programme budgeting manual documenting the complete mapping of NSDP II objectives to SDG targets for transparent and accountable spending, including at sub-national level • Enable innovative mechanisms for data harvesting and use to bridge existing SDGs-related data gaps	• Availability to stakeholders of reliable budget execution data from the Ministry of Finance's BOOST using the upgraded Integrated Financial Management Information System (IFMIS)
Output 2.3. Management of capital projects improved to ensure viability of government capital investments	• Develop skills of MDAs and PSIC (Public Sector Investment Committee) for development appraisal and monitoring of capital budget and projects • Create an interface between the IFMIS, PSID (public sector investment programme) and debt database to monitor public and private resources flows and alignment to SDGs and NSDP II	• Organized PSIC and planning cadre functional IFMIS platform and ease of access to technology among the MDAs • Strong commitment of the IFMIS support team in the Ministry of Finance
Outcome 3: Enabling environment created for private sector growth and public-private partnership for accelerated implementation of SDGs		
Output 3.1. Legal and policy framework and intelligence improved to attract sustainable, inclusive private investment	• Assess the legal and policy environment for private sector • Review the National Partnership Policy • Develop the Private Sector Development Strategy and policy for Private- Public partnerships	• Solid commitment of the Government for promoting private sector participation, • Organized private sector networks • Ministry of Trade and Industry (MTI) and LNDC are willing to participate in

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Outcome/Outputs	***Description***	***Required preconditions and capacity in government***
Output 3.2. Private-public collaboration and coordination enhanced for increased resources mobilization	• Establish an investment coordination board led by the MTI and aligned to the National Investment Policy • Host regular and thematic (SDGs and NSDP based) networking, investment and match-making forums • Develop capacities of key public and private actors to develop, mobilize and monitor new financing trends and instruments that respond to SDGs and NSDP priorities • Develop research briefs and information packages on targeted sectors and investment	the programme to minimize duplication
Output 3.3: Remittance and diaspora finance are leveraged towards SDS and NSDPSDS and NSDP II acceleration	• Conduct rapid assessment on formal remittance services, identify barriers for inclusive financial services in context of remittances • Conduct legal review for remittances and diaspora engagement ease of investment in Lesotho Develop a comprehensive Lesotho National Remittance Policy • Networking and mobilization of diaspora for technical and investment resources mobilization	• Government, especially the Ministry of Home Affairs and Ministry of Foreign Affairs willingness to participate in the project • Diaspora mapping led by Ministry of Foreign Affairs/IOM, and LNDC strategy on diaspora engagement towards enhancing trade and investment are completed • Clear policy framework for labour migration and movement of people across borders

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Trans boundary and/or Regional issues

Lesotho's economic growth is positively correlated to South Africa's economic growth, with correlation coefficient of 0.81. Thus, Lesotho's domestic revenue collection which draw directly on national economic growth depends heavily on political stability and growth prospects in South Africa. The Southern African Customs Union (SACU) transfers – a significant contributor to Lesotho's total (tax and non-tax) revenue – have been volatile since 2015-16. This context compounds pressures in the fiscal policy management in absence of adequate buffers, undermining the capacity of the Government to implement public investment for SDGs and NSDP II as scheduled and prioritized.

The Kingdom of Lesotho has large potable water reserves that are central to the economic and social relationships between South Africa and Lesotho. With the signing of the Treaty on the Lesotho Highlands Water Project in 1986 between the Kingdom of Lesotho and South Africa, Lesotho is eligible to receive water royalties from South Africa which contributes to the national fiscal space. The first phase of this water transfer and hydro-electric power project was completed in 2003, the second phase is currently underway, and is expected to have large positive spill over effects on the economy and service delivery in the country, through increased economic activities and electricity production.

Lesotho is also highly dependent on South Africa for both skilled and unskilled labour opportunities. The largest volume of remittance inflows to Lesotho, received through both the informal and formal channels, is from South Africa, with more than 70 percent of remittances received through informal channels. It is therefore important to facilitate a safe and affordable channel for remittances transmission and access. Strengthening partnership with diaspora network and in the area of remittance will also open the door for the SSC in the area of trade/investment, skills transfer, technology, cultural heritage and shared value for humanity and development and SDGs.

Lesotho is signatory to the SADC Finance and Investment Protocol for harmonizing financial and investment policies in the region, through coordination and collaboration in the investment and financing sectors, enhancing trade and to diversifying productive sectors in the region. Through this Protocol, Lesotho is also party to the regional programme to advance inclusive finance and innovations to accelerate access to transboundary remittance transfers and affordable financial services in the region.

Project Closure and Exit Strategy

The JP will be delivered through dedicated departments in the MoF (Budget and Economic Planning Departments) and the MoDP (Departments of Aid Coordination, Department of Policy and Strategic Planning, Department of Monitoring and Evaluation, the Department of Project Cycle Management and Department of Economic Planning and Management) to facilitate continuity and sustainability of programme interventions. This will also be important to ensure mainstreaming of the programme activities into the government budgeting and planning processes.

The JP will facilitate intra-and-inter-ministerial collaboration by strengthening engagement between the planning and finance functions at ministry level, and ensure wider understanding of processes for projects formulation, financing and monitoring to improve performance of the PSIP. For effective piloting for sectoral planning and MTEF processes, the JP will facilitate platforms for sharing lessons and peer learning, and ensure dissemination of best practices broadly in government, private sector and civil society, to also create an enabling environment for potential scaling.

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A strong and continuing coordination within and between government and private sector will be imperative for the anticipated transformation. In this regard, through the INFF high level coordination and oversight mechanism, the programme will establish a relational and objective engagement, thus eliminate political influence in budget decision programme while attracting multi-partner and diversified resources.

The inclusive and open dialogue on budgeting and finance through the DFA – initiated multi-stakeholder forums – will strengthen partnerships between government, private sector and CSOs. This will further inculcate a tradition for budget monitoring, oversight and accountability, thereby promoting government transparency and opportunities for possible partnerships. The planned capacity building for parliament and civil society is expected to enhance advocacy for NSDP and SDGs aligned budget allocation and delivery. In order to ensure the sustainable results at the policy making level, with capacities developed under this JP, the Parliament will be expected to have better oversight techniques to ensure alignment and accountability of budget allocation and development policy.

Selected SDGs and Target

The JP will contribute to the selected SDG targets as outlined in Section 1.2. above. In particularly, the following SDGs are the one which this JP will have a direct impact.

- SDG 17.1 Strengthen domestic revenue mobilization including through international support to developing countries, to improve domestic capacity for tax and other revenue collection.
- 17.3 Mobilize additional financial resources for developing countries from multiple sources.
- SDG 17.14 Enhance policy coherence for sustainable development.
- SDG 17.17 Encourage and promote effective public, public private and civil society partnerships, building on the experience and resourcing strategies of partnerships.
- SDG 1.a Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions.
- SDG 16.6 Develop effective, accountable and transparent institutions at all levels.

Expected impact

By 2022, Lesotho has a functional and sustainable integrated planning and public financial management ecosystem that contributes to the achievement of the Agenda 2030 objectives and NSDP.

By developing and implementing the INFF, Lesotho positions itself to be able to mobilise a wide range of public and private resources to finance the investments and services required to achieve the SDGs. Although Lesotho is classified as lower – middle income country, it still faces major development challenges that require additional resources and assistance to realize the aspired inclusive economic growth and jobs creation. The INFF will in this regard facilitate continuing public-private dialogues and enable the country to develop a financing strategy and policy framework that is consistent to its development priorities and connected to the Agenda 2030.

By increasing investments in key social sectors, the JB will contribute to making the Lesotho populations healthier, more educated, have decent work, and better agricultural production

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and resilient to economic and climatic shocks. The proposed JP will bring a transformative change in PFM in Lesotho and unlock the structural barriers of the private finance such as FDI, ODA, remittance inflow to Lesotho. As mentioned above, the project will directly contribute to four of the SDG 17 targets, as well as two of SDG targets on SDG 1 and SDG 16. The accountable and transparent fiscal management by the government combined with forward-looking and constructive partnership with private sector, civil society and diaspora abroad will bring a transformative and systematic change, and as a result, will accelerate the achievement of SDS AND NSDP II targets and bring a developmental impact on female and male adults, children and adolescent girls and boys, people living with HIV/AIDS, people living with disability among others in Lesotho.

The JP accelerates SDGs implementation as it will tackle the multi-faced poverty of the vulnerable populations who lack access to health services, water and sanitation, education, and agricultural inputs/land and decent work opportunities. Because of the interlinked nature of SDG, the increasing and equitable, gender responsive finance investment decision will accelerate a number of SDS AND NSDP II targets. Populations in Lesotho will improve their education performance (SDG 4.3), health status (SDG 3.8), increase agricultural productivity and income (SDG 2.3), increase economic productivity through better infrastructure and upgraded technology (7.b), promote gender sensitive and decent work opportunities (SDG 8.3), and enable Lesotho and its population to implement climate change actions (SDG 13.2). This will ultimately contribute to the reduction of poverty (SDG 1) as well as inequality between rich and poor (SDG 10). This will further bring peace and security as it contributes to the broader national reform process towards transformed and harmonized nation and population.

2.4 Budget and value for money (max 2 pages)

The total amount requested from the SDG Fund is **US$ 997,860**This is an overall total project cost including the indirect support costs and the UN Agencies contribution. The breakdown of the amount per PUNO is as follows:

Table: Breakdown of budget per agency

UN Agencies	Requested Amount	Outcomes/Outputs to contribute to
UNICEF	USD **399,842**	Outcome 2 and 3
UNDP	USD **468,928**	Outcome 1 and Outcome 3
IOM	USD **129,090**	Outcome 3 (Output 3.3)

The budget of the Lesotho JP is estimated at 1,106,810 (including USD 108,950 from PUNOs), to be delivered in two years, 2021 – 2022. The Value for Money of this JP is assessed in four key aspects; (a) **Economy:** inputs have been procured at the least cost for the relevant level of quality (spending less); (b) **Efficiency:** the value of outputs in relation to the total cost of inputs (at the relevant level of quality) (spending wisely); (c) **Effectiveness:** achieving program outcomes in relation to the total cost of inputs (spending well); and (d) **Equitability:** ensuring that benefits are distributed fairly (spending fairly) and to achieve gender equality.

Economy: The JP is to accelerate SDGs through combination of increasing efficiency in public financial management and increasing private financing flows towards SDG/NSDP II implementation. The programme will be jointly implemented by UNICEF, UNDP and IOM to maximise potential for results and minimise costs and time associated with the expected

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results. Participating agencies will collaborate and exploit complementarities and synergies in the agency-specific mandates and programme focus to mobilise technical expertise and South-South cooperation for a successful implementation of the programme. The cost of this expertise, alongside any needed goods, will be negotiated at its minimum level using procurement procedures and methods that allow only market competition between service providers. Further technical support will be mobilised through the RCO and UNCT to benefit from the existing comparative advantages within the Lesotho resident and non-resident UN agencies.

These combined efforts will improve the policy environment and accentuate national strategies in achieving better results for education, health, HIV/AIDS, agriculture, climate change action, poverty reduction with multiplier effects for accelerating achievement of other SDGs. The PUNOs will ensure effective programme monitoring and evaluation, responsive risk management and issue control to minimise constantly project costs.

Efficiency: The PUNOs will ensure the costs of inputs (e.g. human resource, time and financial costs) produce the value from quality services/goods (e.g. high quality, relevant and meaningful training to the government officials and other stakeholders, time conscious, results-oriented meeting/networking, etc.). All PUNOs will ensure that the funds allocated to finance activities and outputs reach a level of results that is proportionate to the invested funds. The proposed intervention is aimed at strengthening the existing structures and complementing ongoing processes. The JP will support the mandates of two counterpart Ministries; Ministry of Finance which is in charge of public finance management and Ministry of Development Planning which is in charge of resource mobilization, coordination with stakeholders, and implemented through the capacitated government officials and through strengthened coordination mechanisms supported by the project. The DFA and planned INFF process will also complement the ongoing Government of Lesotho economic and political reforms, thus providing a more technical and evidence-based process to inform reforms agenda. The PUNOs will leverage the existing human resources and build upon the results achieved through the past and ongoing intervention and therefore will be efficient. JP Steering Committees and monitoring technical teams will also ensure efficiency throughout the project cycle, (i) Cost benefit analysis or (ii) Social return on investment can be used as a tool to monitor efficiency as per recommendations from the Steering Committee.

Effectiveness: Global experience shows that the Integrated National Financial Framework (INFF) is a solution to be a cost-effective solution which will ensure long-term financial sustainability. This will lead to the sustainable financing strategies and investment in Lesotho upon the proper implementation of the INFF. Effective engagement with private sector and remove barriers and bottlenecks of the private finance (i.e. foreign and domestic investment, remittance, diaspora financing etc) will increase the fiscal space of Lesotho which will be directed to SDGs and NSDP II financing on a condition that the project will support alignment between budgeting and financing and SDGs and NSDP II targets. The PUNOs supported by RC and UNCT will ensure that various stakeholders (i.e. UNICEF public finance management expert, UNDP economist (INFF expert), IOM migration and development expert) are synergized to bring the cost-effective but impactful results, and interlinked outputs and outcomes (e.g. streamlined coordination) will produce multiplied effects to achieve the program's ultimate goal to accelerate the implementation of SDGS and NSDP II targets. In order to ensure efficiency throughout the project cycle, (iii) Cost Effective Analysis or (vi) Cost Utility Analysis can be used as a tool to monitor effectiveness as per recommendation from the Steering Committee.

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Equitability: is critically important given the fact that education, health and social protection outcomes in Lesotho has been failing to achieve equitable distribution of services to the populations despite the high level of budget allocation, and the poverty inequality has been widening between urban and rural as the Gini-coefficient by World Bank indicates. In alignment to the SDG Fund strategy the JP will 'mainstream human rights, gender, youth, and environment, and operationalize the principle of Leaving No One Behind' to achieve sustainable public financing system for Lesotho. The PUNO, supported by RC / UNCT, and in collaboration with Ministry of Finance and Ministry of Development Planning, will ensure the structure which will address the concerns of the private sector (which has been marginalized by the domination of public sector in finance sector) and ensure requests of civil society are adequately attended (whose requests and recommendations have rarely been considered by GoL) through inclusive and open dialogues. In order to ensure equitable resource allocation for SDGS and NSDP II achievement is sustainable, the Member of Parliaments (MP) will be enlightened the transparent PFM and transformative PPP for SDG acceleration in the Joint Programme implementation process.

To ensure sustainability of this Joint Programme, PUNOs will ensure gradual transfer of ownership of all project results and materials to the Ministry of Finance and Ministry of Development Planning. Provision of capacity building trainings, tools to enhance transparency and accountability of the PFM, and the strengthened coordination mechanisms which ensure inclusiveness and voices to be heard from the private sector and civil society will result in system upgrade and transformation towards the progressive change in PFM and PPP towards accelerating SDGS and NSDP II in Lesotho.

2.5 Partnerships and stakeholder engagement (max 2 pages)

Government's leadership in the JP

The GoL, through the MoF (Budget Department) and the MoDP (Aid Coordination Unit), shall exercise leadership over its development policies and strategies and coordinate development planning, execution and monitoring to maximize potential for positive development outcomes. This will be through developing consultative sectoral planning frameworks (NSDP) and associated MTEF based on the SDGs and NSDP II priorities and policy multipliers.

The Government will also develop policies that promote conducive environment for all actors to operate. One of the central challenges for implementing sectoral budgeting is lack of sector-level coordination, which has resulted in duplicating development efforts across different ministries. The MoDP and MoF will jointly play a key role in establishing intra-ministerial cooperation platforms and delineate SDGs and NSDP-focused sectoral composition to facilitate budget planning and allocation, linking both the planning and financing functions within the ministries.

The MoDP leads a national multi-stakeholder Aid Coordination Forum aimed at mobilizing partnerships and development aid, which will be expanded for a more inclusive membership and agenda. This will be important for facilitating and promoting consensus based on multi-stakeholder dialogues on key recommendations of the DFA. The Government will also provide leadership in the constitution of the INFF oversight committee network, at both national and sub-national levels, that is aligned to the ongoing reforms to minimize duplication as well as ensure ownership and sustainability. This oversight committee will ensure adequate representation of women and persons with disabilities.

The MoF is responsible for creating fiscal space and general custodian of PFM and reporting. Based on this, the Ministry will be facilitating the conduct of capacity building activities at

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both national and sub-national levels, relying on partnerships with CSOs to reach out to the population groups the JP wants to target, including representatives of women associations involved in (climate) resilience building activities and/or seeking to contribute economically and financially to the attainment of SDG and NSDP II objectives. The MoF will also develop costed annual action plans with support from the PUNOs, which will be used for the procurement of goods and services during the implementation phase of the JP. These plans will be reviewed and approved by the programme steering committee. The MoF will submit implementation reports to UNICEF for onward submission to the steering committee and SDG Fund.

Contribution of PUNOs and UNCT

The UN will mobilize technical expertise from both resident and non-resident agencies in the development of an integrated SDGs-aligned financing and planning ecosystem. The UNRC will provide political leadership and in context of the 'Delivery as One' principles, ensure a coordinated engagement between the UN agencies and PUNOs at the INFF oversight and technical committees. The UN agencies will also use their experiences and engagement in different sectors to advocate for the programme and facilitate wider stakeholder participation. Several studies have shown that UN enjoy high levels of confidence and trust among stakeholders and members of public. This gives PUNOs a degree of convening power that will be utilized to mobilize strategic partners and stakeholders to contribute towards achievement of the programme goal.

UNICEF has been leading in PFM specifically for children and adolescents focusing on transparency, efficiency, effectiveness, accountability, participation and equity. The PUNO will support the MoF during planning, implementation, monitoring and reporting of the JP, relying on its knowledge and evidence generated through the budget briefs and joint sector budget assessment studies. UNICEF will tap into regional offices for technical support and guidance on specific PFM areas to respond adequately to the needs of the MoF as it implements the activities of the Lesotho JP.

UNDP will lead the technical engagement and advocacy with the MoDP and MoF for DFA, facilitating technical level capacity development and coordination platforms for a successful assessment, and in collaboration with other UN agencies. With experience and lessons from other initiatives, UNDP will further extent technical support for mobilizing SDGs-aligned partnerships and resources mobilization with private sector to accelerate achievement of development results. UNDP will further work with the Parliament and CSOs to improve monitoring and oversight for effective implementation of the NSDP II and SDGs.

IOM has been supporting Lesotho in engaging with Basotho diaspora abroad through inter-ministerial working group led by Ministry of Foreign Affairs, including the development of Lesotho National Diaspora Policy. Facilitation of diaspora investment and increase access to affordable remittance by rural populations was part of the Diaspora Engagement Roadmap which is annexes to the policy. In this proposed project, IOM will lead the rapid assessment of formal and informal remittance, research aiming to facilitate diaspora investment in Lesotho, and develop remittance policy.

Contributions from other partners and stakeholders

The JP will also enable the GoL to implement some of the recommendations from the World Bank, IMF, African Development Bank on consolidating effective PFM and from the International Budget Partnership on enhancing budget transparency, public participation, and budget oversight. The JP will integrate results and recommendations from ongoing programmes in the MoF and MoDP, its implementation and planned results to strengthen

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partnerships and coordination in the context of the Paris Declaration and the AAAA for effective development results.

Bringing development partners, representation of private sector and civil society into the programme steering committee will result in benefits; including coordination, opportunities for collaboration and stronger programme delivery. Development partners do not only bring technical and policy advice, but also provide heads-up on financing opportunities and best practices and lessons in PFM. CSOs bring advocacy and people perspectives in budget processes regarding prioritization, equitability, inclusiveness, transparency, efficiency, and accountability.

Private sector representation will bring business perspectives to the programme. Diaspora members (female and male, young and adult, with various occupations) will be strategically engaged to contribute to policy discussions. The programme will create an opportunity for awareness to contribute directly or blended to SDG financing. These partners will also feature in dialogues especially around how to implement a shared value agenda in creating win-win situation among private sector, government and the people.

The project will engage with professional, skilled, semi-skilled and unskilled Basotho diaspora who work and live abroad in order to understand the various challenges that they are facing in terms of access to affordable remittance services, and ease of diaspora investment in SDGs and NSDP II goals. Further, the project specifically identifies female labour migrants often working as domestic workers during the assessment on the informal remittance service and identify solutions to formalizing their remittance. Central bank will play a key role to understand the remittance volume, trends and potentials should Bank collaborate with private sector which could develop new SDG-linked finance by insurance, microfinance or mobile phone operators.

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

3. Programme implementation

3.1 Governance and implementation arrangements (max 3 pages)

The JP will build upon the long-standing partnerships and cooperation that exist between the participating UN Agencies, the GoL and development partners. Within the UN, the programme will build on the strength of the UN system in Lesotho guided by the principles of Delivering as One (DaO), harmonized UN programming and joint programme implementation. The project will be implemented by the MoF and MoDP with the technical and financial support from three UN Agencies (UNDP, UNCEF and IOM) under the leadership of the Resident Coordinator's Office.

The MoDP is the coordinating ministry for partnerships, aid coordination and national policy planning, monitoring and resources mobilization including implementation of the NSDP II and SDGs. The MoF is the key ministry that is responsible for national public finance management for which this joint programme has been designed to support. The Ministry of Development Planning will ensure harmonized implementation strategies between the project and the SDG Technical Working Group (TWG) and the Aid Coordination forums by regularly sharing project progress, issues, gaps and achievements in these forums. This will add value to the SDG implementation by enhancing integrated national planning, monitoring, reporting and accountability of resources and results among partners; and facilitate INFF processes.

This JP will be coordinated through focal points, under the Planning departments in the respective ministries (health, education, agriculture, tourism), to ensure that the JP outputs and activities are implemented, and reports are prepared accordingly. The focal points in the ministries will also be responsible for coordinating the required capacity building initiatives and ensure alignment of internal stakeholders accordingly. They will benefit from capacity building activities in sector budget planning, budgeting, analyses, and reporting and in SDG architecture and alignment with national development plans. This will be important for sustainability of JP results and continuity.

The RC's Office will coordinate the JP implementation and will co-chair the Joint programme steering committee (JPSC) with the Office of the Prime Minister. UNDP will manage the fund (Administrative Agent) and act as the Pass through for the fund to UNICEF and IOM. UNICEF will be Lead Agent and will be responsible for the reporting obligations including the consolidation of the narrative reports. UNICEF in collaboration with the RCO will also act as the Secretariat of both the JPSC and Project Technical Committee. UNDP, UNICEF and IOM will be responsible for joint implementation of the JP activities and delivery of work plan and budget in line with the established procedures and guidelines.

The Steering Committee consisting of the UN Resident Coordinator (RC) on behalf of the UNCT and as a lead sponsor for the project, and Heads of UN Agencies, and Principal Secretaries (PS) of participating lead Ministries (MoDP and MoF), is the project executor. The Office of the Prime Minister, and representation of CSOs, private sector networks, and development partners, will participate in the project, representing project beneficiaries. UNCT will play the internal oversight and management role to ensure the implementation of the project and alignment to the UNDAF objectives. The Steering Committee will be convened by the UN RCO and co-chaired with the representative from the Office of the Prime Minister. Relevant technical level managers from the implementing agencies will be invited to the Steering Committee to provide technical expertise and information to the Committee.

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

The JP will establish a Project Technical Committee (PTC) consisting of technical level officials of RCO, participating UN organizations (UNDP, UNICEF and IOM) and key Ministries (MOF, MoDP). As necessary, the project technical committee will co-opt the expertise of the Central Bank of Lesotho and the World Bank to inform implementation decisions and existing synergies. UNICEF will co-chair the technical committee along with MODP/MOF.

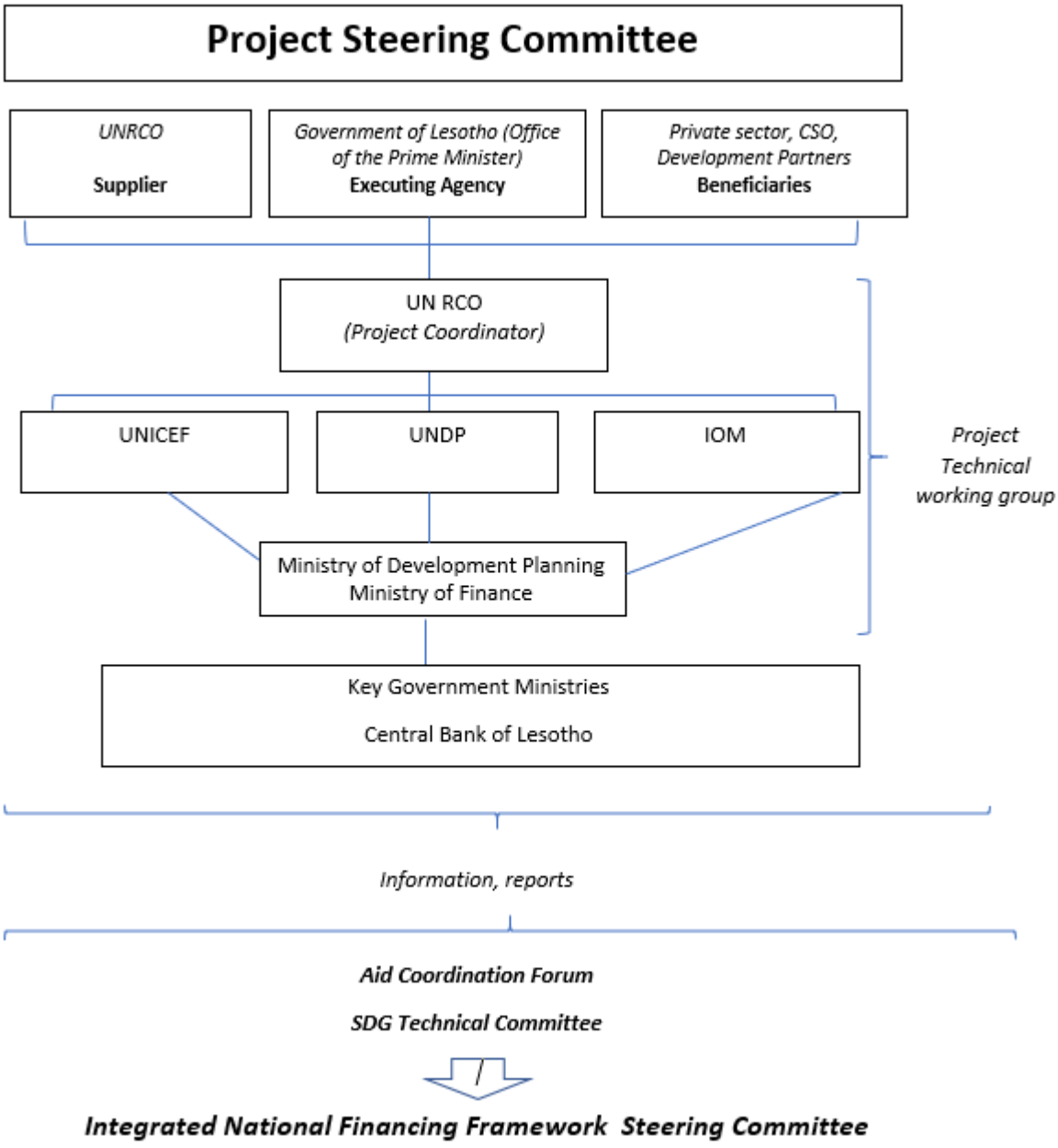
Prior to implementation, a WHO expert and a focal point from the Ministry of Health (MOH) – all of them members of the PTC – will review planned activities to assure that dedicated resources are provisioned to support social distancing, use of masks, hand washing behavior, etc., so that Government's COVID-19 spread control measures are fully observed. To contribute to addressing the medium to long term effects of the COVID-19 pandemic in the economy and people daily lives, the PUNOs (IOM, UNDP and UNICEF) will mobilize internal expertise to support the design of an INFF that reinforces the resilience of both private promotors willing to invest in the Government's prioritized high impact projects and beneficiary communities against second and subsequent rounds of the pandemic's impacts. This is a critical expertise that will be funded by the JP availed resources.

The effectiveness of the INFF to contribute to sustainably addressing the socioeconomic impacts of the COVID-19 will be monitored by the PTC regularly, through a data collection activity – specifically provisioned in the INFF itself for the period following the closure of the JP – which will prioritize remote data collection techniques such as mobile phone surveys. During the implementation of the JP, monitoring & evaluation resources will be used to carry out 2-4 mobile phone surveys targeted to the most COVID-19 affected groups of Lesotho's population, including learners, vulnerable households under various social grants' programs, the tourism industry of small or micro sizes, families with migrants in South Africa, sex workers and (informal) self-employment enterprises.

The UNRCO will assign a Program Coordinator (PC) who will be responsible for coordinating, overseeing and monitoring programme activities across all components. The PC will also be in-charge of all day-to-day cross-cutting implementation issues of the programme project including monitoring the M&E framework and reporting. Each implementing agency's focal point are tasked to implement planned activities in a timely manner, monitor and report the results against the set performance indicators stated in the result framework.

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Figure 2. Project Organigram



3.2 Monitoring, reporting, and evaluation

A monitoring, reporting and evaluation system will be developed and implemented jointly by the PUNOs and the key line ministries and departments of government.

Monitoring:
Monitoring of the performance of this JP will be based on the evidence-based results matrix that will be necessary to ensure that the agreed projects objectives and outputs of developing the SDG financing architecture and sound budgeting ecosystem in Lesotho are

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achieved. The monitoring to strengthen the national mechanisms for budget allocation and management to enable realization of the SDGs and NSDP II priorities is implemented.

The monitoring efforts will focus on supporting the government through the MoF to review MTEF and programme budgeting across ministries to better align them to the NSDP II and SDGs. The JP will develop programme and SDG budgeting manuals to guide the implementation team in following standard procedures and facilitate the monitoring of the key indicators that have been jointly agreed upon.

Reporting:
Reporting on the Joint SDG Fund will be results-oriented, and evidence based. UNDP and IOM will provide the UNICEF PC with the following narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat:

Semi-annual progress report (to be validated and approved by the PSC)

- ***Annual narrative progress reports***, to be provided no later than one (1) month (31 January) after the end of the calendar year, and must include the result matrix, updated risk log, and anticipated expenditures and results for the next 12-month funding period;

- ***Mid-term progress review report*** to be submitted halfway through the implementation of Joint Programme[9]; and

- ***Final consolidated narrative report***, after the completion of the JP, to be provided no later than two (2) months after the operational closure of the activities of the JP.

UNICEF will compile the narrative reports of UNDP and IOM and submit a consolidated report to the Joint SDG Fund Secretariat, through the Resident Coordinator.

The Resident Coordinator will be required to monitor the implementation of the JP, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. As a minimum, joint programmes will prepare, and submit to the Joint SDG Fund Secretariat, 6-month monitoring updates. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, as per the request of the Joint SDG Fund Secretariat. The JP will allocate resources for monitoring and evaluation in the budget.

Data for all indicators of the results framework will be shared with the Fund Secretariat on a regular basis, in order to allow the Fund Secretariat to aggregate results at the global level and integrate findings into reporting on progress of the Joint SDG Fund.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or SSC initiatives, in the reporting done throughout the year.

PUNOs at Headquarters level shall provide the Administrative Agent (UNDP) with the following statements and reports prepared in accordance with its accounting and reporting procedures, to consolidate the financial reports, as follows:

[9] This will be the basis for release of funding for the second year of implementation.

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

- ***Annual financial reports*** as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and

- ***A final financial report***, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities. In addition, regular updates on financial delivery might need to be provided, as per the request of the Fund Secretariat.

After completion of this JP, a final, *independent and gender-responsive*[10] *evaluation* will be organized by the Resident Coordinator. The cost needs to be budgeted, and in case there are no remaining funds at the end of the JP, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

Evaluation:
The JP will be subjected to a joint final independent evaluation. It will be managed jointly by PUNOs as per established process for independent evaluations, including the use of a joint evaluation steering group and dedicated evaluation managers not involved in the implementation of the JP. The evaluations will follow the United Nations Evaluation Group's (UNEG) Norms and Standards for Evaluation in the UN System, using the guidance on Joint Evaluation and relevant UNDG guidance on evaluations. The management and implementation of the joint evaluation will have due regard to the evaluation policies of PUNOs to ensure the requirements of those policies are met and the evaluation is conducted with use of appropriate guidance from PUNOs on joint evaluation. The evaluation process will be participative and will involve all relevant programme's stakeholders and partners. Evaluation results will be disseminated amongst government, development partners, civil society, and other stakeholders. A joint management response will be produced upon completion of the evaluation process and made publicly available on the evaluation platforms or similar of PUNOs.

3.3 Accountability, financial management, and public disclosure

Accountability and Financial Management
The JP will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for the JP through the AA.

Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding (MoU) with the AA. Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

[10] How to manage a gender responsive evaluation, Evaluation handbook, UN Women, 2015

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Indirect costs of the Participating Organizations recovered through programme support costs will be 7 percent. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Funding by the Joint SDG Fund will be provided on annual basis, upon successful performance of the JP. Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues will be followed and are stipulated in the Operational Guidance of the Joint SDG Fund. In cases where funds are transferred to government, proper accountability procedures must be followed.

Communication
To ensure high visibility and effective communication, all stakeholders should take appropriate measures to promote the Fund and support partnership and communication. A comprehensive communication strategy will be developed at the beginning of the project to ensure communication on result and impact throughout the project. The communication strategy will streamline information, messaging and guide how the project will be communicated in the country and externally. The Administrative Agent shall ensure that the role of the contributors and relevant stakeholders is fully acknowledged in all external communications related to the Fund.

3.4 Legal context

The followings are the legal framework within which each PUNOs are operating in Lesotho.

Agency name: UNDP Lesotho
Agreement title: UNDP Lesotho Country Programme Document (2019 – 2023)
Agreement date: January 2019

Agency name: UNDP Lesotho
Agreement title: SBAA (Standard Basic Assistance Agreement)
Agreement date: 1974

UNDP is the UN global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. It works with individual countries on their own solutions to global and national development challenges. UNDP work in Lesotho is guided by the UNDP Lesotho Country Programme (2019-2023) that is informed by the NSDP II, the UNDAF (2019–2023) and based on the UNDP Strategic Plan (2018–2021). The Lesotho programme has 3 programme pillars: (i) Governance, Accountability, Social Cohesion and Stability; (ii) Sustainable and Inclusive Economic Growth; and (iii) Environmental Sustainability, Climate Change and Resilience. UNDP will work closely with the MoDP as the interlocutor for development programmes in the country, other United Nations agencies and development partners in delivering the programme in line with the Lesotho Partnership Policy to ensure sustainability and continuity of its programme results.

Agency Name: UNICEF Lesotho
Agreement Title: Memorandum of Understanding between UNICEF and Government of Lesotho
Agreement Date: December 2017

The Government of Lesotho is committed to implementing the UN Convention of the Rights of the Child (CRC), which obligates governments to realize children's economic, social, civil, political and cultural rights to the maximum extent of their available resources (Article 4).

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

This call for an integrated national financial framework that will set the ground for sufficient (size and mix) technical and financial resources inflowing in Lesotho to invest in NSDP II priorities and SDGs and a robust PFM system that maximizes the impact of available resources on Lesotho's populations, including children, women, men, disabled persons, and climate changed affected groups. In this context, given the specific needs of children, public finance for children has become a top priority in UNICEF agenda in Lesotho as evidenced by the strategic orientation of the current Government-UNICEF CPD.

Agency Name: IOM Lesotho
Agreement Title: Cooperation Agreement between IOM and the Government of Lesotho
Agreement Date: January 2011

IOM has been working in Lesotho based on the Corporation Agreement between IOM and the Government of Lesotho signed by Director General of IOM and Permanent Representative of the Kingdom of Lesotho on January 11 in 2011. The Kingdom of Lesotho is a member state of IOM, and IOM commits support in the migration programmes such as capacity building, advisory services and technical cooperation on migration issues, migration and health, international migration law, migration and environment, migration information, counter trafficking, among others.

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

D. ANNEXES OF THE JOINT PROGRAMME TEMPLATE

Annex 1. List of related initiatives

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
0005-Irrigated Crop Production	Development of irrigation schemes and at the same time rehabilitate existing one	- To attract investment and improve productivity of the agriculture sector	GOL		74,608,000	M Mot'sets'ero Email: motz.com@gmail.com
0478-Wool and Mohair Promotion Project	- Improve economic and climate resilience of poor, smallholder wool and mohair producers to adverse effects of climate change in the Mountain and Foothill regions of Lesotho by enabling smallholder livestock producers to generate higher incomes and more sustainable livelihoods and	- Improved productivity and diversifies sources of growth for Lesotho	GOL	1. GEF-Global Environment Foundation (Grant) 2. OPEC-Organization of Petroleum Exporting Countries (Loan) 3. IFAD-International Food and Agricultural Development (Grant & Loan)	408,000,000	R. Khoalenyane Email: ureng2004@yahoo.co.uk

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
	increase their ability to cope with and recover from natural shocks					
2105-Smallholder Agriculture Development Project 2	To supports a new paradigm shift that puts climate resilience, nutrition security and commercialization at the core of agriculture growth in Lesotho.	Domestic private sector development	GOL	1. IDA-International Development Association (World Bank) (Loan) 2. IFAD-International Food and Agricultural Development (Grant)	818,520,000	Retselitsoe Pheko Email: pheko.deniel@gmail.com
0039-Public Financial Mngt /PSIRP	The project supports the Government of Lesotho to strengthen implementation of a modern PFM regulatory framework, Macroeconomic analysis and forecasting, integrated	Efficiency and effeteness of the public resources	GOL	1. ADF-African Development Funds (Grants)	103,000,000	Thabiso Kompi Email: cumshine@gmail.com

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
	planning and budgeting, development of a modern procurement system; modern integrated accounting, revenue and expenditure management system; strong independent oversight bodies (DCEO, PAC & OAG)					
0528-Tax Modernization Programme	The aimed at the implementation of various tax and customs reforms whose primary objective is to optimize and streamline revenue collection procedures in order to reduce the administration burden of	Tax revenue mobilization and fiscal consolidation	GOL Counter Lesotho Revenue Authority	ADF-African Development Funds (Loan)	100,000,000	Thabiso Kompi Email: cumshine@gmail.com

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
	complying with taxes and minimize time and costs associated with taking goods across borders without compromising the protection of the society					
0530-Public Sector Modernization Programme	To provide the horizontal support to the central ministries to strengthen public administration, as well as vertical support to targeted sector ministries to improve resource management systems and capacities for service delivery.	Rationalizing recruitments in the Government of Lesotho to control the wage bill	WB	IDA-International Development Association (World Bank) (Loan)	400,000,000	Thabiso Kompi Email: cumshine@gmail.com

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Name of initiative/project	**Key expected results**	**Links to the joint programme**	**Lead organization**	**Other partners**	**Budget and funding source**	**Contract person** (name and email)
0475-Private Sector Competitiveness and Economic Diversification II	The purpose is to match grant scheme whereby the Project provides financial assistance to local enterprises to cover 80% of their business development costs	Public-private partnerships to improve efficiency in the local enterprises	GOL Counter	IDA-International development Association (World Bank) (Grants)	173,000,000	Mr Mokuku Email: cmokuku@psc.org.ls
0547-Economic Diversification Support Project	Developing a conducive SMME and private sector development ecosystem by strengthening the business associations and networks to meaningfully participate in national and sectoral dialogue and foster cooperation among Basotho entrepreneurs and with	Contribution to public-private partnerships through awareness on and dialogue at the sectoral level	GOL counter	ADF-African Development Funds (Loan & Grant)	163,200,000	Mr Mokuku Email: cmokuku@psc.org.ls

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
	foreign investors					
9047-Advanced Infrastructure Development for Economic Growth and Job Creation	For the purpose of PEMADU initiatives Project to contribute in the creation of Jobs and Economic Growth	Support to the private sector to enhance their technical capacities to access and implement public investments efficiently	GOL	Non	500,000,000	PS Nthoateng Lebona
0434-Capacity Building to SMME's	To provide the capacity building to MSME's and Cooperatives Societies through training, mentoring, Supervision, regulation and exposure to local, region and international market trends and opportunities	Provide managerial capacity allowing MSME to developing networking/intelligence for more investment opportunities and partnerships with the public sector	GOL Counter		45,000,000	Seeng Letele Email: seengletele@gmail.com

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
	for networking and promotion					
0545-Support to Climate Change Vulnerability, Risk Assessment, Adaption and Mitigation (funded by GOL and Italy Grant)	To develop renewable energy resource maps (Solar, Hydro and Wind) and strengthen national efforts to combat climate change and address its adverse effects.	Reduced vulnerability from climate change	GOL Counter	Italy(Grants) UNDP	36,050,000	Muso Raliselo Email: mraliselo@yahoo.co.uk
Industrial Hemp and Super Foods Project	To create decent jobs from cultivated and processing of food and pharmaceutical products	Private sector mobilization for innovative investment and food security	LNDC	Private Sector	405,000,000	
Sustainable Energy for All	Facilitate integration of private sector in provision of renewable energy sources	Private sector mobilization and capacity building for effective participation and contribution to sustainable development	Ministry of Energy and Meteorology	Private sector GEF UNDP		Mabohlokoa.tau@undp.org
UNICEF's support to the	Build of the capacity of	Support to the PFM system through	Ministry of Finance	Open Budget	UNICEF regular	asbeko@unicef.org

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
Ministry of Finance to improve budget participation, transparency, prioritization, and accountability	stakeholders (officials, CSOs, parliament) on budget analysis Provide skills to the Ministry of Finance for budget forecasting and expenditure ceilings' determination	improving the quality of the budget preparation process	(Budget Department)	Initiative	budget	
Sustainable and Inclusive Economic Growth	Enhanced capacities and strategies for promoting inclusive economic growth and employment creation Improved coordination of national stakeholders, including private sector Effective SDGs and NSDP coordination,	Policy development Data for SDGs Privat sector engagement Capacity building and national coordination	Ministry of Development Planning	Enhanced Integrated Framework for Trade (EIF) Bureau of Statistics Ministry of Small Business Development Ministry of Trae and Industry Ministry of	1, 500, 000 UNDP EIF	

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
	implementation and reporting			Gender and Youth, Sports and Recreation Lesotho Chamber of Commerce and Industry		
Lesotho National Dialogue and Stabilization Project	To support implementation of broad-based national reforms for governance, security, public service and economic sectors	Reforms for effective political and economic governance	Ministry of Foreign Affairs	Office of the Prime Minister All Political parties European Union	5,000,000 UNDP European Union	Thabo.mosoeunyane@undp.org

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Annex 2. Results Framework

2.1. Targets for Joint SDG Fund Results Framework

Joint SDG Fund Outcome 2: Additional financing leveraged to accelerate SDG achievement

Indicators	Targets	
	2020	2021
2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope[11]	tbc	tbc
2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale[12]	tbc	tbc

Joint SDG Fund Output 4: Integrated financing strategies for accelerating SDG progress implemented[13]

Indicators	Targets	
	2020	2021
4.1: #of integrated financing strategies that were tested (disaggregated by percent successful / unsuccessful)	Tbc	tbc
4.2: #of integrated financing strategies that have been implemented with partners in lead[14]	Tbc	tbc
4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational	Tbc	Tbc

Joint SDG Fund Operational Performance Indicators

- Level of coherence of UN in implementing programme country[15]
- Reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other joint programmes in the country in question

- Annual percent of financial delivery
- Joint programme operationally closed within original end date
- Joint programme financially closed 18 months after their operational closure

- Joint programme facilitated engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)

[11] Additional resources mobilized for other/ additional sector/s or through new sources/means
[12] Additional resources mobilized for the same multi-sectoral solution.
[13] Targets to be confirmed in the first six months of project implementation
[14] This will be disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners
[15] Annual survey will provide qualitative information towards this indicator.

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

- Joint programme included addressing inequalities (QCPR) and the principle of "Leaving No One Behind"
- Joint programme featured gender results at the outcome level
- Joint programme undertook or draw upon relevant human rights analysis, and have developed or implemented a strategy to address human rights issues
- Joint programme planned for and can demonstrate positive results/effects for youth
- Joint programme considered the needs of persons with disabilities

- Joint programme made use of risk analysis in programme planning
- Joint programme conducted do-no-harm / due diligence and were designed to take into consideration opportunities in the areas of the environment and climate change

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

2.2. Joint programme Results framework

Result / Indicators	Baseline	2020 Target	2021 Target	2022 Target	Means of Verification	Responsible partner
Outcome 1. Strengthened and gender sensitive INFF is developed and being implemented						
Indicator 1.1. Total government revenue as a proportion of GDP (SDG 17.1.1)	46.84 (2019/20)	46.84	53.46	50.56	Budget Speech documents and National Budget Briefs	Ministry of Finance, UNICEF, Bureau of Statistics
Indicator 1.2. INFF in place and implemented to guide budgeting and planning process [16]	0	0	0	1	Budget Speech documents and National Budget Briefs	MODP, UNDP
Output 1.1. Development Finance Assessment (DFA) is undertaken, to inform implementation of key financing solutions for INFF						
Indicator 1.1.1. Proportion of recommendations adopted for INFF roadmap disaggregated by sector, institutions and legal and policy framework	0%	0%	50%	70%	INFF Oversight Committee reports, MOF and MoDP Reports	UNDP
Indicator 1.1.2. Proportion of recommendations endorsed by the Government which target results for gender equality and women empowerment	0%	0%	30%	50%	INFF Oversight Committee reports, MOF and MoDP Reports. CSOs and Women Organizations reports	UNDP

[16] Measures in a scale of 0 – 4 as 0 = not in place, 1 = some progress; 2 = advanced progress; 3= in place and implemented

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Result / Indicators	Baseline	2020 Target	2021 Target	2022 Target	Means of Verification	Responsible partner
Output 1.2. A financing strategy aligned to the SDGs and the NSDP II is developed and implemented to support the national resources mobilization efforts						
Indicator 1.2.1. A financing strategy in place and implemented to inform development financing and resource mobilization[17]	0	0	0	1	Financing strategy	Ministry of Development Planning
Output 1.3. Effective and functional mechanisms for INFF oversight, monitoring and review consolidated to improve ownership and political leadership/stewardship for implementation of the INFF						
Indicator 1.3.1. Number of meeting held on the INFF by (i) oversight committee, (ii) INFF technical committees (iii) Multi-stakeholders' platform (*disaggregated by gender)*	(i) 0 (ii) 0 (iii) 2	(i) 1 (ii) 3 (iii) 2	(i) 4 (ii) 12 (iii) 4	(i) 4 (ii) 12 (iii) 4	Meeting reports, issues papers for the INFF oversight committee	Ministry of Development Planning, Ministry of Finance, UNDP, UNICEF
Indicator 1.3.2. Proportion of policies/recommendations implemented led by (i) government partners (ii) private sector (iii) CSOs	(i) 0 (ii) 0 (iii) 0	(i) 0 (ii) 0 (iii) 0	(i) 20% (ii) 5% (iii) 5%	(i) 20% (ii) 5% (iii) 5%	Meeting reports and documentation	Ministry of Development Planning, Ministry of Finance, UNDP, UNICEF
Outcome 2. PFM systems are strengthened to improve transparency, efficiency, and effectiveness in public spending and policy						
Indicator 2.1. Primary government expenditures as a proportion of original approved budget (SDG 16.6.1)	83.13 (2018/19)	83.13	90.5	95.5	Budget speech 2021/22 and Budget briefs 2021/22	UNICEF
Output 2.1. Mechanisms for NSDP/SDGs-aligned planning and budgeting frameworks (MTEF) piloted						

[17] A binary indicator measured as 0 = NO, 1=Yes

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Result / Indicators	Baseline	2020 Target	2021 Target	2022 Target	Means of Verification	Responsible partner
Indicator 2.1.1. Number of gender-sensitive sectoral development plans (SDP) developed	0 (2019)	0	2	4	Publication in the MoDP and MoF websites	Ministry of Development Planning, Ministry of Finance, UNICEF, UNDP
Indicator 2.1.2. Number of functional MTEF models utilized by sectors to engage with the MoF during budget allocation to programmes	0 (2019)	0	2	4	Sectoral MTEF reports published in MoF website	Ministry of Finance
Indicator 2.13. Extent to which the national annual budget has integrated the SDGs targets and NSDP II priorities	0	2	4	4		Ministry of Development Planning, Ministry of Finance UNDP, UNICEF,
Output 2.2. Mechanisms and capacities of relevant stakeholders strengthened to improve budget transparency, participation and fiscal accountability						
Indicator 2.2.1. Number of SDG-focused budget reports developed and disseminated	0	2	4	4	Budget reports	Ministry of Development Planning, Ministry of Finance UNDP, UNICEF,
Indicator 2.2.2. Open Budget Survey score on budget (i)transparency (ii) participation (iii) oversight	(i) 0 (2017) (ii) 0 (2017) (iii) 31 (2017)	(i) 0 (ii) 0 (iii) 31	(i) 0 (ii) 0 (iii) 31	(i) 40 (ii) 20 (iii) 41	Updated Open Budget Survey scores released in first quarter of 2022	Ministry of Finance, Ministry of Development Planning, Parliament, Civil Society
Output 2.3. Management of capital projects improved to ensure viability of government capital investments						
Indicator 2.3.1. Percentage of capital projects financed by the public budget	tbc	tbc	40%	60%	Budget quality index	Ministry of Development Planning

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Result / Indicators	Baseline	2020 Target	2021 Target	2022 Target	Means of Verification	Responsible partner
that meet the quality criteria based on an index to be develop						
Indicator 2.3.2. Execution rates of (i) capital budgets, and (ii) health, (iii) education, and (iv) agriculture	47.2 (18/19)	47.2	52	67	Budget Framework	Ministry of Finance, Ministry of Development Planning
	19.7 (2018/19)	19.7	30	50	For health, refer to Health budget briefs of UNICEF	UNICEF
	29.1 (2018/19)	29.1	40	50	For education, refer to Education budget briefs of UNICEF	UNICEF
	22.3 (2018/19)	22.3	30	40	For agriculture, refer to End year fiscal report published on the MoF website	Ministry of Finance, Ministry of Development Planning
Outcome 3: Enabling environment created for private sector growth and public-private partnership for accelerated implementation of SDGs						
Indicator 3.1. (i) Foreign direct investments (FDI), (ii) official development assistance and (iii) South-South Cooperation as a proportion of total domestic budget (SDG 17.3.1)	27.15 (2018/19)	27.5	29	30	World Development Indicators of the World Bank (numerator) and Budget speech documents (denominator)	UNICEF, Ministry of Development Planning
Indicator 3.2. Ranking in the ease of doing business	122 (2019)	122	100	95	Annual Doing Business	Ministry of Trade and Industry

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Result / Indicators	Baseline	2020 Target	2021 Target	2022 Target	Means of Verification	Responsible partner
					publications	
Output 3.1. Legal and policy framework improved to attract sustainable and inclusive private investment and partnerships						
3.1.1. Number of mechanisms in place to ensure domestic and international private and public partnerships for sustainable development and financing	2	3	4	7	Project reports	Ministry of Development Planning, Ministry of Trade and Industry, Ministry of Finance
Output 3.2. Regular and thematic (SDGs and NSDP based) networking, investment and match-making forums hosted to enable public and private collaboration and resources mobilization						
Indicator 3.2.1. Number of investment promotion forums hosted	0	1	1		Meeting reports, Project reports	UNDP, LNDC, Ministry of Development Planning, Ministry of Trade and Industry
Indicator 3.2.2. Number of partnerships forged as a result of the JP-supported initiatives	0	2	10		Meeting reports, contracts	UNDP, LNDC, Ministry of Development Planning, Ministry of Trade and Industry
Output 3.3: Remittance / diaspora finance are leveraged towards SDS and NSDPSDS and NSDP II acceleration						
Indicator 3.3.1: National Lesotho Remittance Policy is in place	No	No	Yes		Government Gazette, Final Remittance Policy document	IOM, Ministry of Finance, Ministry of Foreign Affairs, Ministry of Home Affairs, Central Bank of Lesotho

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Annex 3. Gender marker matrix

Indicator N°	Indicator Formulation	Score	Findings and Explanation	Evidence or Means of Verification
1.1	Context analysis integrate gender analysis	**2**	The program context analysis refers to impact of budget inefficiencies on gender outcomes. It also refers to Lesotho's performance on the indicators for global gender gap, and impact of attaining sustainable development.	Lesotho poverty assessment – Progress and challenges in reducing poverty (2019), The Government of Lesotho and World Bank
1.2	Gender Equality mainstreamed in proposed outputs	**2**	Gender has been mainstreamed in the programme goal, selected outcomes and outputs.	Outcome 1 Output 2.1
1.3	Programme output indicators measure changes on gender equality	**2**	10% of the programme output indicators are gender sensitive	
2.1	PUNO collaborate and engage with Government on gender equality and the empowerment of women	**2**	PUNOs have consulted with the Ministry of Finance and Ministry of Development Planning in the development of this proposal. The Ministry of Gender and Youth, Sports and Recreation, as a national coordinator and focal point for promoting gender equality has been identified as one of the key government stakeholders in this programmes and has participated in the consultations for this programme. In this regard, the programme will also enable capacity building for gender-sensitive budgeting and oversight thus contribute to attainment of gender related SDGs and NDDP outcomes.	Drafting team attendance register Notes from the consultation meetings with stakeholders Reports for SDGs domestication
2.2	PUNO collaborate and engages with women's/gender equality CSOs	**3**	The programme will make consultations with the Federation of Women Lawyers, Women in Law in Southern Africa, Federation of Women Entrepreneurs for participation in the programme implementation. The organizations have been part of the process for localization of SDGs and development of the NSDP II to ensure gender mainstreaming and women empowerment.	Reports from CSO engagement
3.1	Program proposes a gender-responsive budget	**3**	The programme has allocated %%% to women empowerment outputs.	Budget
Total scoring		**13**		

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Annex 4. Budget and Work Plan

4.1 Budget per UNSDG categories

In accordance to the programme strategy, at least 62% of the programmable budget is allocated to contractual services which will include engagement of experts and consultants to support the programme, facilitate training and capacity building. All the PUNOs, will also utilize internal networks to facilitate capacity development and expertise as required by the programme, which costs are attributed to general expenses and operating costs. For programme efficiencies, the agencies will utilize existing resources for transport, office equipment and furniture. However, the programme will purchase technological equipment for the participating government ministries, especially Ministry of Development Planning and Ministry of Finance, as part of capacity building and to ensure programme sustainability.

Of the total budget, UNDP has been allocated about 47% of the budget while UNICEF 40% and IOM has 13% as follows:

UNDG BUDGET CATEGORIES	UNDP		UNICEF		IOM		PUNO 4		TOTAL	
	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	**Joint SDG Fund (USD)**	**PUNO Contribution (USD)**
1. Staff and other personnel	60,000		51,184		24,115				135,299	
2. Supplies, Commodities, Materials	70,000		59,700		11,000				140,700	
3. Equipment, Vehicles, and Furniture (including Depreciation)			0		0				0	
4. Contractual services	270,000		230,000		75,000				575,000	
5.Travel	0		0		0				0	
6. Transfers and Grants to Counterparts	0		0		0				0	
7. General Operating and other Direct Costs	38,250		32,800		10,530				81,580	
Total Direct Costs	**438,250**		**373,684**		**120,645**				**932,579**	
8. Indirect Support Costs (Max. 7%)	*30,678*		*26,158*		*8,445*				65,281	
TOTAL Costs	**468,928**		**399,842**		**129,090**				**997,860**	
1st year	**199,625**		**170,215**		**129,090**				**498,930**	
2nd year	**269,303**		**229,627**		**0**				**498,930**	

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

4.2 Budget per SDG targets

SDG TARGETS		%	USD
	SDG 17.3	28%	258,922
	SDG 17.1	8%	69,981
	SDG 1.a.	8%	73,224
	SDG 16.6	6%	55,339
	SDG 17.14	51%	475,112
TOTAL		100%	932,579

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

4.3 Work plan

The total budget requested from the JSF for this programme is USD 997,860, and the PUNOs will jointly contribute USD108,950, and this is distributed as follows:

	JSF Contribution	PUNO contribution	Total
Outcome 1	237,200	33,000	270,200
Outcome 2	339,550	0	339,550
Outcome 3	232,145	37,000	269,145
	808,895	***70,000***	***878,895***
Joint programme management	123,684	38,950	162,634
Sub-total	**932,579**	**108,950**	**1,041,530**
Total (including indirect cost)	997,860	108,950	1,106,810

The detailed workplan is below:

Outcome 1		**Strengthened and gender-responsive INFF is developed and being implemented**																
Output	**Annual target /s**		**List of activities**			**Time frame**								**PLANNED BUDGET**				**PUNO /s involved**	**Implementing partner/s involved**
	2020	**2021**		**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Overall budget description**	**Joint SDG Fund (USD)**	**PUNO Contributions (USD)**	**Total Cost (USD)**		

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Output 1.1. Development Finance Assessment (DFA)is undertaken, and a roadmap toward implementation of key financing solutions developed			1.1.1. Undertake an inception phase of the DFA, including scoping analysis and setting up an environment for DFA;			x	x	x						International Consultant for 100 days @$600/day =$60, 000 + Local consultant @100 days @$400 per day = $40, 000 + (5 x 3 days) workshop for 30 people @$30/person = $13, 500 + Other Direct costs (US$15,000)	128,500	14,000	**142,500**	UNDP	Ministry of Development Planning, Ministry of Finance, Office of the Prime Minister, Ministry of Trade and Industry
			1.1.2. Host a training workshop for technical teams and key stakeholders on the DFA process and methodology			x	x	x										
			1.1.2. Undertake initial research, including assessment of financing trends, policy and institutioanl landscape, stakeholder mapping and consultations,				x	x										

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Output 1.2. A financing strategy aligned to the SDGs and the NSDP II is developed and implemented to support the national resources mobilization efforts			1.4.1. Develop a national financing strategy						x	x				International Consultant for 50 days @$600/day =$30, 000 + Local consultant @50 days @$400 per day = $20, 000 + (3 x 1 days) workshop for 30 people @$30/person = $2,700 + Other Direct Costs (US$8,000)	60, 700	9,000	**69, 700**	UNDP	Ministry of Development Planning, Ministry of Finance, Office of the Prime Minister, Ministry of Trade and Industry
			1.4.2. Print and disseminate the financing strategy							x	x							
			1.4.3. Host Consultative and validation workshops with government, private sector and CSO							x	x	x						
Output 1.2. INFF oversight committee and technical committees consolidated to improve			1.2.1. Host INFF Steering committee meetings				x		x	x	x	x	x	Print 200 copies of the DFA report @15/copy = $23, 000 + (4 x Meetings) for 150 people @30/perso	48, 000	10,000	**58, 000**	UNDP	Ministry of Development Planning, Office of the Prime Minister,
			1.2.2. Train INFF and technical teams on the DFA methodology					x										

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

ownership and political leadership/ stewardship for implementation of the DFA/INFF proposals			and INFF processes										n = $18,000 + Other Direct Costs (US$7,000)					Ministry of Trade and Industry
			1.2.3. Review the Aid Coordination forum mandate and membership				x											
			1.2.4. Host multi-stakeholder and sectoral dialogues on the DFA and INFF process					x	x	x	x	x						
Outcome 2			**PFM systems are strengthened to improve transparency, efficiency, and effectiveness in public spending and policy**															
Output	**Annual target /s**		**List of activities**			**Time frame**								**PLANNED BUDGET**				**PUNO/s involved**	**Implementing partner/s involved**
	2020	**2021**				**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Overall budget description**	**Joint SDG Fund (USD)**	**PUNO Contributions (USD)**	**Total Cost (USD)**		
Output 2.1. Mechanisms for NSDP/SDGs-			2.1.1. Financial support to the MoF to define/delineate the			x								Cost: US$18,550 = US$10,050 (consultant fees) +	18,550	0	**18,550**	UNICEF	Ministry of Finance

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

aligned planning and budgeting frameworks (MTEF) piloted			concept of "sector" in Lesotho's budgeting process, and mainstream the adopted definition and scope in the Chart of Account (CoA) for sector-focus budget management and reporting											US$5,744 (5-day training workshop with 30 participants, of which 50% women) + US$2,756.1121491 (communications, m&e, evaluation)					
			2.1.2. Develop an i-SDG model to facilitate policy trade-offs and prioritisation to aid development of sector development plans			x								International consultants for 50 days @$500 per day = $25,000 + (3 x1 day) Consultative meeting for 100 people = $6,892 + communication, m&e, management = $2108	34,000	0	**34,000**	UNDP	Ministry of Development Planning,

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

			2.1.3 Financial and technical support to MoF, MoDP, and line ministries to provide skills and tools (e.g., sectoral dashboards) that enable public personnel to prepare and disseminate sectoral development plans for 3 pilot sectors (education, agriculture, tourism)				x	x					Cost: US$68,700 = US$60,900 (consultant fees) + US$4,978 (5-day training workshop with 26 participants, of which 50% women) + US$2,822 (communications, m&e, management)	68,700	0	**68,700**	UNICEF	Ministry of Finance, Ministry of Development Planning
			2.1.4. Financial and technical support to MoF, MoDP, and line ministries to provide skills and tools that enable public personnel to prepare Medium					x					Cost: US$50850 = US$43,650 (consultant fees) + US$4,978 (5-day training workshop with 26 participants, of which 50%	50,850	0	**50,850**	UNICEF	Ministry of Finance, Ministry of Development Planning

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

			Term Expenditure Frameworks (MTEF) for 3 pilot sectors (education, agriculture, tourism)										women) + US$2,222 (communications, m&e, management)					
Output 2.2. Mechanisms and capacities of relevant stakeholders strengthened to improve budget transparency, participation and fiscal accountability			2.2.1. Financial and technical support to the MoF, MoDP, line ministries, Civil Society Organizations, Parliament, and Women Associations to institutionalize transparent preparation and effective use of sectoral expenditure analyses that inform SDG-focused budget planning, monitoring and reporting					x					Cost: US$21,868.31 = US$16,058 (5-day training workshop with 61 participants, of which 50% women and 30% disabled persons) + US$5,810.31 (communications, m&e, management)	21,868	0	**21,868**	UNICEF	Ministry of Finance

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

			2.2.2. Financial and technical support to the MoF, MoDP and partners to prepare and disseminate the Programme Budgeting Implementation Manual (PBIM) that documents inter alia the complete mapping of NSDP II objectives to SDG targets for transparent and accountable spending, including at sub-national level					x					Cost: US$29,168.75 = US$17,550 (consultant fees) + US$8,055 (3-day training workshop with 50 participants, of which 50% women and disabled persons) + US$3,563 (communications)	29,169	0	**29,169**	UNICEF	Ministry of Finance, Ministry of Development Planning
			2.2.3. Host a data lab to identify and analyse budget data sources to complement SDG- data					x	x	x			International consultants for 30 days @$500 per day = $15,000 + (4x	33,000	0	**33,000**	UNDP	Ministry of Development Planning, Bureau of

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			gap											5day) Workshop for 30 people @30/person = 13,784 (comm, m&e, management)					Statistics, National University of Lesotho
			2.2.4. Financial and technical support to the MoDP to prepare the survey instruments required to carry out a Public Expenditure Tracking Survey (PETS) in agriculture and social protection						x				Cost: US$19,900 = US$13,800 (consultant fees) + US$3,561 (3-day training workshop with 30 participants, of which 50% women) + US$2,539 (comm, m&e, management)	19,900	0	**19,900**	UNICEF	Ministry of Development Planning, Ministry of Agriculture, Ministry of Social Development

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Output 2.3. Management of capital projects improved to ensure viability of government capital investments			2.3.1. Financial and technical support to Ministries, Departments, Agencies and PSIC (Public Sector Investment Committee) that develops the skills of public personnel in developing/designing, appraising, and monitoring capital budget and projects							x				Cost: US$22,550 = US$13,350 (consultant fees) + US$5,744.46729 (5-day training workshops with 30 participants, of which 50% women) + US$3,456 (comm, m&e, management)	22,550	0	**22,550**	UNDP	Ministry of Finance, Ministry of Development Planning
			2.3.2. Financial and technical support to the MoF to create interfaces linking the upgraded Integrated Financial Management Information System to								x	x		Cost: US$40,962.5 = US$29,800 (developer consultant) + US$7,897 (5-day training workshop with 30 participants, of which	40,963	0	**40,963**	UNICEF	Ministry of Finance

			the Public Sector Investment Programme Database (PSIP) and Debt Management Database, to monitor the performance of public investments in sectors benefiting disproportionately women, including their alignment with SDGs and NSDP II									50% women) + US$3,265 (comm, m&e, management)						
Outcome 3			**Enabling environment created for private sector growth and public-private partnership for accelerated implementation of SDGs**															
Output			**List of activities**			**Time frame**								**PLANNED BUDGET**				**PUNO/s involved**	**Implementing partner/s involved**
						Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Overall budget description**	**Joint SDG Fund (USD)**	**PUNO Contributions (USD)**	**Total Cost (USD)**		

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Output 3.1. Legal and policy framework and intelligence improved to attract sustainable, inclusive private investment			3.1.1. Assess legal and policy framework for private sector participation in development agenda, and engagement in selected sectors					x	x	x				International consultant @$600 for 60 days = $36, 000 + local consultant for 30 days @$400 = $12,000 (5 x 2-day workshops for 50 people @$30/person = 15, 000 Conferencing = 10000 + Other Direct Costs (US$2,000)	47, 000	13,000	**60, 000**	UNDP	Ministry of Development Planning, Ministry of Trade and Industry, Private Sector Networks
			3.1.2. Undertake assesssment of capabilities and bottlenecks in private sector and privatge sector networks to facilitate segragation of private sector players						x	x								
			3.1.3. Develop a private sector and partnerships development strategy and policy							x	x							

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

			framework															
Output 3.2. Private-public collaboration and coordination enhanced for increased resources mobilization	**1**	**2**	3.2.1. Organise internal dialogues to facilitate establishment of investment coordination platform and identify key NSDP/SDG priorities				x	x					International consultant @$1000 for 10 days = $10, 000 + (1 x 5-day workshops for 50 people @$30/person = $7,500 + Conferencing for 200 people @30 per person, 2 sessoons = 12,000 + local Consultant fees @$400 for 40 days = $16, 000 + Printing @$20 for 800 copies = 16, 000 + Other Direct Costs	64, 500	14,000	**78, 500**	UNDP	Ministry of Development Planning, Ministry of Trade and Industry, Private Sector Networks, LNDC, Academia, media
			3.2.2. Host investment forums and/or donor roundtables					x			x		x					
			3.2.3. Knowledge resources on private sector and public sector investments				x		x	x		x						
			3.2.3. Train public and private sector stakeholders on innovative financing mechanisms						x	x	x							

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			and develop Lesotho-relevant tools										(US$3,000)					
Output 3.3: Remittance / diaspora finance are leveraged towards SDGs / NSDP II acceleration			1. Conduct rapid assessment on formal remittance service providers, transactional costs, geographic coverage, risks and opportunities for expansion and costs reduction				x	x					(1) Cost: US$24,365 = US$15,000 (Consultant fees) + US$1,750 (2 days workshop x 25 persons x US$ 35) + supplies (US$1,500) + other direct cost (US$6114.8598129)	24,365	2,000	26,365	IOM	Ministry of Home Affairs, Ministry of Finance, Central Bank, Diaspora Technical Working Group
			2. Conduct rapid assessment on female migrant workers and their use of informal remittance, transactional costs, geographic coverage, risks and opportunities for formalizing				x	x					(2) Cost: US$23,500 = US$15,000 (Consultant fees) + US$1,000 (2 days workshop x 20 persons x US$ 25) + supplies (US$1,500)+ other direct cost (US$6000)	23,500	2,000	25,500	IOM	Mnistry of Home Affairs, Ministry of Finance, Central Bank, Diaspora Technical Working Group

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

			remittance														
			3. Conduct legal review on trade and investment, land and property, related policy and propose potential changes to harmonize with diaspora policy and LNDC diaspora strategy, remove barriers and facilitate ease of investment in Lesotho by diaspora members abroad				x	x					(3) Cost: US$23,500 = US$15,000 (Consultant fees) + US$1,000 (2 days workshop x 25 perons x US$ 20) + supplies (US$1,500) + other direct cost (US$ 6000)	23,500	2,000	25,500	IOM	Ministry of Finance, Central Bank, Diaspora Technical Working Group
			4. Develop a comprehensive Lesotho National Remitatnce Policy for encouraging Basotho				x	x	x				(4) US$44,780 = US$34,580 (International consultant fees,	44,780	2,000	46,780	IOM	Ministry of Home Affairs, Ministry of Finance,

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			migrants who work and live in other countres to send money home thorugh formal channels and leveraging remittances for development									inclusive of travel to Lesotho) + US$ 1,700 (2 days workshop with 25 participants x US$ 20, 1 day workshop with 20 participants x US$35) + US$ 1,500 (US$ 50 x 30 printing) + supplies (US$1,000)+ other direct cost (US$ 6000)					Central Bank, Diaspora Technical Working Group
			5. Sensitization and Networking among diaspora representatives, investors and remittance service providers in Lesotho			x	x	x	x			(5) Cost: US$4,500 (1 day meeting with 20 participants x US$ 25 x 4 times a year x 2 years) + supplies (US$500)	4,500	2,000	6,500	IOM	Ministry of Home Affairs, Ministry of Finance, Central Bank, Diaspora Technical

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

																			Working Group
Joint programme management			**List of activities**			**Time frame**								**PLANNED BUDGET**				**PUNO/s involved**	**Implementing partner/s involved**
						Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Overall budget description**	**Joint SDG Fund (USD)**	**PUNO Contributions (USD)**	**Total Cost (USD)**		
Communication (2%)			Joint project meetings		x	x	x	x	x	x	x	x	x		18,000	0	**18,000**	UNICEF	Ministry of Finance, Ministry of Development Planning
			Project reports		x	x	x	x	x	x	x	x	x						
			Project visibiliity			x	x	x	x	x	x	x	x						
Monirotin g and Evaluation (5%)			Monitoring and Evaluation		x	x	x	x	x	x	x	x		Consultant @500/day/ 30 days = 18,000 Conferencing @40x4x100ppl=16000	44,500	0	**44,500**	UNICEF	Ministry of Finance, Ministry of Development Planning
			End of Project Evaluation									x	x						
			Annual Project review					x	x			x	x						

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Project management			x	x	x	x	x	x	x	x	x	x		51,184	38,950	**90,134**	UNICEF	Ministry of Finance, Ministry of Development Planning
Project Governance		PSC Meetings			x		x		x		x	x		10,000	0	10,000	UNICEF	Ministry of Finance, Minsitry of Development Planning

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Annex 5. Risk Management Plan

Risks	Risk Level: (Likelihood x Impact)	Likelihood: Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare – 1	Impact: Essential – 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	Mitigating measures	Responsible Org./Person
Contextual risks					
Manmade disaster such as infectious disease (i.e. Coronavirus) could affect the project implementation as the GoL priority will shift to deal with emergency situation	15	3	5	Regular situation monitoring on potential man-made disaster and develop contingency plan	UNICEF, UNDP, IOM
Natural disaster such as drought could affect the project implementation as the GoL priority will shift to deal with emergency	9	3	3	Regular situation monitoring on potential natural disaster and develop contingency plan	UNICEF, UNDP, IOM
Programmatic risks					
COVID-19 dynamic situation may delay the whole project activities due to the potential re-lockdown and movement restriction	12	3	4	UN agencies will be equipped with IT infrastructure and system to ensure activities could continue with the virtual meetings and social distancing	UNCEF, UNDP, IOM
Delay of project implementation due to the recruitment process (competent staff, consultant)	9	3	3	UN agencies to leverage its global expert network in specific thematic area to ensure competent expert / consultant are identified	UNCEF, UNDP, IOM
Change of priority activities by the key counterpart Ministry especially in the context of COVID-19 pandemic and new priority may arise	8	2	4	Supporting letter from Ministry of Finance to this project is already a mitigation measure	UNICEF, UNDP, IOM
Reluctance of stakeholders to participate to face-to-face strategic meetings or training workshops, especially if COVID-19 positive cases explode, despite public service announcements about the pandemic's control measures	12	4	5	Partnering with CSO used to engage citizens through Internet platforms for budget transparency and accountability matters, to scale up usage of these platforms and other virtual meeting tools, thereby fully complying with social	UNICEF, UNDP, IOM

DocuSign Envelope ID: 81CD75CE-E48C-44DA-8021-65092CB77021

Risks	**Risk Level:** (Likelihood x Impact)	**Likelihood:** Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare – 1	**Impact:** Essential – 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	**Mitigating measures**	**Responsible Org./Person**
				distancing and hand washing measures	
Institutional risks					
Change of leadership and/or technical focal point of the key government counterpart may delay the project implementation process	12	4	3	Regular contact with key counterpart to ensure the project team is aware of any change	UNICEF, UNDP, IOM
Lack of cooperation by non-participating Ministries, private sector or civil society which are not directly involved in the proposal development process	9	3	3	Careful selection of the key partners / representatives in the sector during the project initiation phase	UNICEF, UNDP, IOM
Fiduciary risks					
Fund transferred to the Implementing partners (Ministries) is diverted to other purpose than the project	10	2	5	Strict application of Harmonized Approach to Cash Transfer (HACT) approach as per grant management strategy	UNICEF, UNDP

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