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## Sustainable and Inclusive Economic Growth Programme

**Implementing Partner:** Ministry of Development Planning

**Start Date:** January 2019

**End Date:** December 2023

### Brief Description

Lesotho has developed a National Strategic Development Plan (NSDP) II (2018/19 – 2022/23), aimed at transforming Lesotho’s economic structure to be more private -sector led for creating employment and achieving sustainable and inclusive growth. The country is categorized as a lower middle-income country, with per capita income estimated at USD1, 425. Lesotho’s economic structure is characterized by a narrow and undiversified private sector, with government spending accounting for more than 60 percent of GDP. While Lesotho’s performance in gender equality and women empowerment is positive, its ranking on the Global Gender Gap index has dropped 2018, due to widening gaps in political, economic and labor participation of women. According to the NSDP I review, challenges relating to availability of data and lack of frameworks for monitoring and evaluation, prevented a full evaluation of the results attained in the implementation of this programme, including the MDGs. Further, lack of coordination mechanisms for planning and to monitor implementation compromise programme investments, resulting in policy overlaps and conflict.

The Sustainable and Inclusive Economic Growth (SIEG) programme is derived from the National Strategic Development Plan objective for economic growth and employment creation, through the *Pillar 1 on supporting inclusive and sustainable growth and private sector – led job creation*. Further, the programme is aligned to the *UNDP Strategic Plan Signature Solution 1 – Keeping People Out of Poverty, and Inclusive Economic Growth*, by addressing the challenges of poverty and inequalities, limited employment and livelihoods opportunities especially among women and youth. The Programme will be delivered through two pillars:

- i) Livelihoods development and economic diversification
- ii) Data, research and evidence for policy

This programme implementation is expected to translate into improved inclusive development indicators, increased employment opportunities and jobs, and government effectiveness. Both the public and private sector stakeholders are expected to actively participate in the planning, implementation, monitoring and evaluation of national development agenda for attainment of national priorities and mutual accountability to results.

Programme Period:	2019 - 2023
Atlas Award ID:	00118910
LPAC Meeting Date:	1st April 2019
Contributing Outcome (UNDAF): #3	
Indicative Output(s) with gender marker <sup>2</sup> :	
<b>Output 1.</b> <i>Capacities of government institutions, private sector improved to create competitive and gender sensitive business environment and enable effective economic participation of SMMEs (GN2)</i>	
<b>Output 2.</b> <i>Capacities of national public and private sector institutions strengthened to promote enterprises development (GN2)</i>	
<b>Output 3:</b> <i>National and local level institutions have enhanced technical capacities to coordinate and facilitate effective planning, implementation, analysis and national reporting on the Sustainable Development Goals using innovative and data driven-solutions (GN2)</i>	

<b>Total resources required:</b>	11,230,500	
<b>Total resources allocated:</b>	<b>UNDP TRAC:</b>	1,202,600
	<b>Donor:</b>	2,430,000
	<b>Government:</b>	
	<b>In-Kind:</b>	
<b>Unfunded:</b>	7,597,900	

Agreed by:

Co-ordinating Authority: Ministry of Development Planning	Executing Agency: UNDP	Implementing Partner: Ministry of Development Planning
Signature: <i>Chikona</i> Name: NTHO ATEENG LEBONA	Signature: <i>[Signature]</i> Name: CHRISTY AHENICORA	Signature: <i>Chikona</i> Name: NTHO ATEENG LEBONA
Date: <i>26 April 2019</i>	Date: 26 APRIL, 2019	Date: <i>26 April 2019</i>



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## I. DEVELOPMENT CHALLENGE (1/4 PAGE – 2 PAGES RECOMMENDED)

Lesotho has developed a National Strategic Development Plan (NSDP) II (2018/19 – 2022/23), aimed at transforming Lesotho's economic structure to be more private -sector led for creating employment and achieving sustainable and inclusive growth. The country is categorized as a lower middle-income country, with per capita income estimated at USD1, 425. Following a decade of average GDP growth rate of 4.5% (until 2015) economic performance has decelerated to average 1.5% per annum, but it is expected to recover modestly due to activities in the construction, Phase II of the Lesotho Highlands Water Project and mining. Despite high growth rates, Lesotho is classified among the top ten most unequal countries, and among the low human development countries at inequality adjusted HDI of 0.359. With more than 50% of the population living below the poverty line, Lesotho's unemployment is estimated at almost 33%, with youth and women mostly affected and more than a quarter of the population declared vulnerable. Youth make 40% of the Lesotho population of 2 million people.

Lesotho's economic structure is characterized by a narrow and undiversified private sector, with government spending accounting for more than 60 percent of GDP. Although Lesotho's ranking on the Doing Business Index improved considerably since 2012, (from 162 to 106/189 countries), the ranking on the Global Competitiveness slipped from 126th to 130th (out of 140 countries) due to declining political environment and unpredictable policy and institutional frameworks. Limited innovations capability, market dynamism, poor infrastructure and skills mismatch, are attributed to low economic performance and competitiveness. SMME make almost 70% of the private sector, with the majority operating informally. NSDP II has identified four sectors as economic drivers to attaining economic growth and improve private sector investments in the medium term, being manufacturing, agriculture, tourism, technology and creative industries and improve private sector investment.

While Lesotho's performance in gender equality and women empowerment is positive, its ranking on the Global Gender Gap index has dropped from 54 in 2016 to 81 in 2018, due to widening gaps in political, economic and labor participation of women. Lesotho has maintained the highest representation of women at the local government at 49%<sup>1</sup>, but the share of women representation in the National Assembly has regressed from 25 (2015) to 24 percent to (2017). According to the Global Gender Gap, women are marginalized in Lesotho, with limited economic opportunities and on the lower end in the wage disparity. Lesotho has developed laws and policies that promote gender equality and women's empowerment including the Gender and Development Policy (2018).

According to the NSDP I review, challenges relating to availability of data and lack of frameworks for monitoring and evaluation, prevented a full evaluation of the results attained in the implementation of this programme, including the MDGs. External evaluations indicate that there is limited capacity to generate, collect and analyze data and evidence to inform policy planning and implementation. Further, lack of coordination mechanisms for planning and to monitor implementation compromise programme investments, resulting in policy overlaps and conflict. Relative to the SDGs, Lesotho is ranked 51 out of 54 countries, on the Africa SDGs Index, which spans data capabilities to report to the SDGs, and of the 156 selected national indicators, only 33% have up to date data. For most indicators, there is limited disaggregation which results in underreporting is limited to basic dimensions, which excludes

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<sup>1</sup> Genderlinks, 2017.

very difficult and therefore, failure to address this will lead to vicious cycle of poor implementation of development plans

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## II. STRATEGY

The Sustainable and Inclusive Economic Growth (SIEG) programme is aligned the Sustainable Development Goals and the *UNDP Strategic Plan Signature Solution 1 – Keeping People Out of Poverty, and Inclusive Economic Growth*, by addressing the challenges of poverty and inequalities, limited employment and livelihoods opportunities especially among women and youth. It is also derived from the National Strategic Development Plan objective for economic growth and employment creation, through the *Pillar 1 on supporting inclusive and sustainable growth and private sector – led job creation*. Further, the programme is aligned to the. The Programme strategy builds on past lessons and pilots and focuses on upstream and downstream interventions to create inclusive solutions to national development challenges, by adopting techniques for capacity building, collaboration and coordination.

Through this Programme, UNDP will strengthen capacities of private and public sector stakeholders to create decent and sustainable jobs, promote economic diversity, facilitate increased economic participation using innovative and technological interventions, collaborative and informative stakeholder policy -shaping platforms and technical support and development. UNDP will catalyze innovations, build on South-South and Triangular Co-operation and adopt best practices from within UNDP and other partners to ensure programme delivery and technical support. In line with the principle of leaving no one behind, the Programme will mainstream mechanisms for data collection, collation and analysis to facilitate evidence-informed planning, decisions and policy, as well as promote accountability for results.

The Sustainable and Inclusive Economic Growth Programme will be delivered through two pillars:

- iii) Livelihoods development and economic diversification
- iv) Data, research and evidence for policy

### 2.1. Livelihoods development and economic diversification

This pillar is aimed at establishing the foundation blocks to support the government strategy for private sector led economic growth and employment creation, and to create environment for inclusive development. With focus on the selected priority sectors, manufacturing, agriculture, tourism, and technology and creative arts, UNDP will complement national efforts for creating a competitive business environment, address market and stakeholder capacity constraints and develop partnerships and knowledge platforms to enhance private sector participation and increase employment opportunities in this regard.

**Institutional frameworks, policy and legal environment.** Working with relevant ministries and private sector institutions, UNDP will contribute to development of enabling conditions and environment for business and private sector development through enhanced institutional coordination, harmonised policy and legal frameworks. According to FinScope 2015, one of the major constraints to SMME growth is lack of business acumen and lack of business sophistication resulting in limited economic and commercial participation. The programme will therefore support development of relevant private sector policies and institutional frameworks to reduce business informality and barriers, promote establishment of new business enterprises and improve overall economic competitiveness. UNDP will work with relevant ministries and stakeholders to improve conditions and procedures to encourage effective participation and recognition of women, youth, and people with disability in economic activities through implementation of recently enacted policies for Gender and Youth. The programme will also work with the government and private sector institutions to facilitate data and information on the private sector actors and initiatives in Lesotho.

**Market conditions and skills development.** To promote economic transformation and leverage private sector potential for employment creation, this programme will address some of the common

market constraints inhibiting business performance and growth, including culture, creativity, management, and access and use of business intelligence and information, especially among SMMEs. Based on the results and lessons from the Lesotho SIMM (Scaling Inclusion through Mobile Money) project, UNDP will support initiatives that exploit access and use of technology to advance inclusive finance, especially among SMMEs. Working with business development service providers and private sector networks, UNDP will support design of business management training programmes, integrating creativity and mentorship support to bridge gaps between the training and in-business practice. This will also address the SMMEs inability to adapt and deliver thus allowing them to identify and take advantage of emerging business opportunities through introduction of innovative methods such as application of design thinking in business processes. UNDP will further harness and promote local innovations and adoption of technology to address identified community and business development bottlenecks as well as foster business sophistication and agility.

**Partnerships and knowledge development.** In collaboration with government, private sector and relevant stakeholders, UNDP will support public-private policy dialogues and create information platforms to inform and shape policies, as well as create incentives for engagement. UNDP will further support participation of SMMEs to improve voice and advocacy for relevant policy change. Investments will be made towards research and data to understand challenges affecting the sector, document successes and best practices and inform policy debates in this regard. UNDP will utilise its convenor role to identify and facilitate multi-stakeholder partnerships and leverage its global expertise and South – South partnerships.

## 2.2. Data, research and evidence for policy

This component is aimed at building the national capacities for evidence-based policy-making, analysis, planning, monitoring and reporting by facilitating the availability of disaggregated data and statistics to enable national accounting to SDGs and NSDP II targets. In collaboration with the Government of Lesotho, the programme will promote innovations to enhance data collection, analysis and dissemination, facilitate data literacy and use through integrated policy planning, research and reporting.

**Data and statistics, research and reporting.** In view of identified data gaps for reporting to SDGs and the NSDP II, and the national budgetary constraints, Lesotho is forced to adopt innovative mechanisms to collect and analyse data, to complement the traditional data sources. In this regard, UNDP will support capacities to enable the country to take full advantage of technological innovations and platforms to harvest data. Building on the results of the Lesotho Data for Sustainable Development Project (Lesotho Data) project, UNDP will strengthen capacities for data literacy and use to create demand and culture of data. UNDP will further support development of disaggregation matrices to account for inclusion and facilitate effective monitoring of key development indicators.

UNDP will facilitate development of knowledge resources and contribute to evidence-based policy-making, through a multi-year research agenda, that will also produce policy and issue briefs, analyses, discussion papers and periodic reports. This will also include development of data – based national reports and indices.

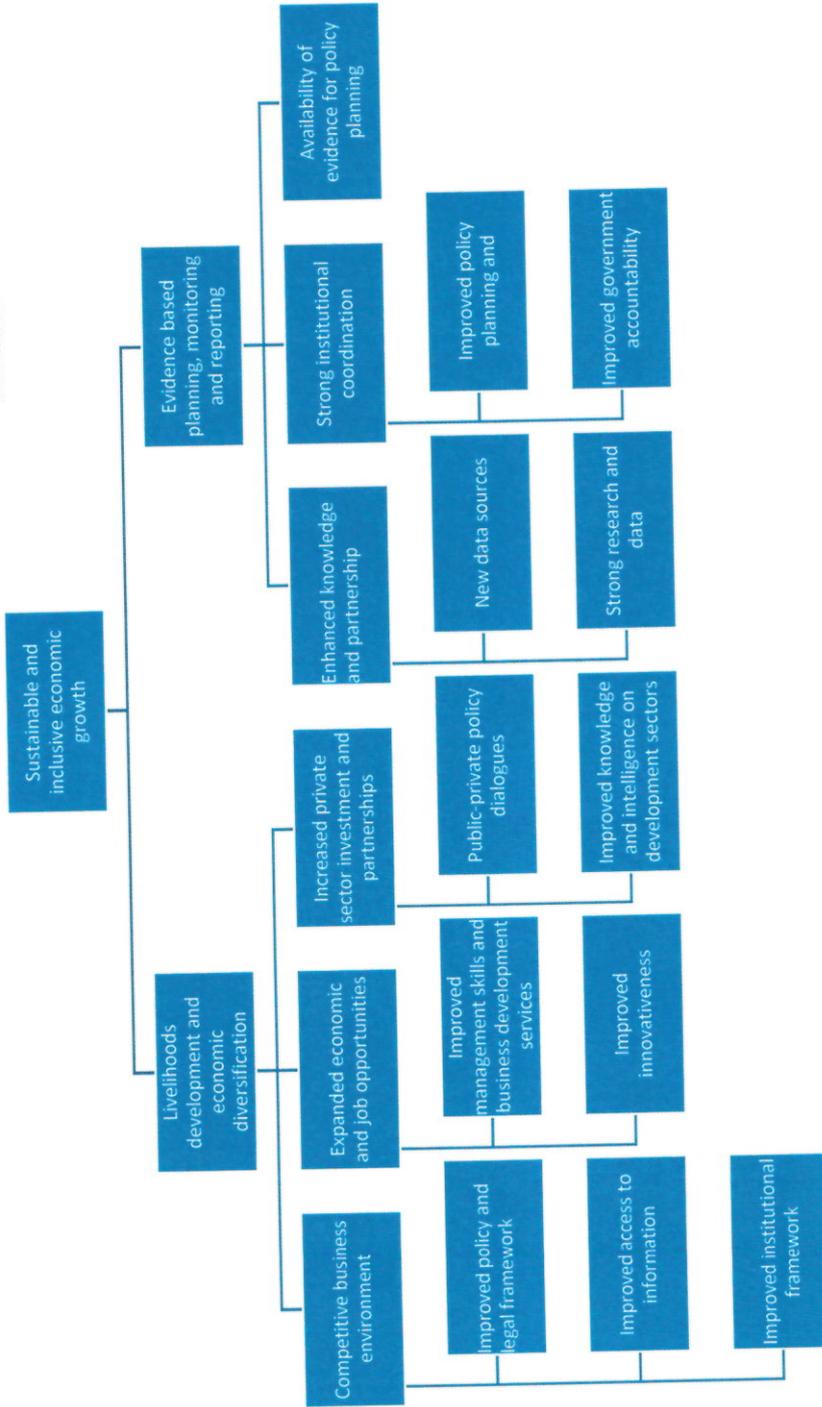
**Coordination for Policy planning, monitoring and evaluation for NSDP II.** The programme will contribute to building government effectiveness and implementation of the NSDP II by strengthening coordination for policy planning, implementation, monitoring and evaluation. In context of the SDGs, UNDP will support assessment of the policy landscape for integration and harmonisation to eliminate overlaps and identify policy gaps, using the RIA (Rapid Integrated Assessment) tools. This will further facilitate evaluation of key policies in identified priority sectors. . The programme will support capacity development, adoption of technologies and tools to facilitate establishment of mechanisms to enable a coordinated planning, monitoring and evaluation and reporting, by training the planning and M&E staff, and providing tools to enhance delivery and efficiency. The programme will also enable development of mechanisms for NSDP monitoring and evaluation, through consistent reporting and effective communication of results thereof

**Sustainable Development Goals and other international agenda.** UNDP will strengthen internal capacities to implement and report on its international development commitments, including the Sustainable Development Goals (SDGs). In collaboration with the UN agencies, UNDP will support establishment of the Country SDGs Platforms to enable coordination and mapping of resources complementary to the national programmes. UNDP will support national reporting and adherence to the principles governing SDGs implementation.

# Theory of Change for the Sustainable and Inclusive Economic Growth Programme



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### III. RESULTS AND PARTNERSHIPS (1.5 - 5 PAGES RECOMMENDED)

#### 3.1 Expected Results

The programme is expected to translate into improved inclusive development indicators, increased employment opportunities and jobs, and government effectiveness. Both the public and private sector stakeholders are expected to actively participate in the planning, implementation, monitoring and evaluation of national development agenda for attainment of national priorities and mutual accountability to results. The following results are expected:

##### i) Livelihoods development and economic diversification

**Enhanced policy harmonisation and institutional support.** The programme support will result in production of at least 5 sectoral policies and strategies, including private sector development policy, microfinance and financial inclusion policies and ICT. UNDP will further induce gender equity and principles for responsible business through introduction of the gender seal for private sector and the UN Global Compact. The programme will also scale-up the pilot on database for youth and women – led organisations through establishment of a registration platform within the relevant ministry, and to enable accounting for youth and women – led enterprises within the private sector and business register. **Improved market conditions and skills development.** The programme will enhance managerial and creativity skills for at least 2, 000 entrepreneurs (70% being women and youth). The programme will advance the ongoing programme on promoting financial inclusion through mobile financial services, and especially targeted at the SMMEs to facilitate graduation, sustainability of enterprises and effective participation in trade. The YouthConnect platform will be localised to strengthen linkages and partnerships with local networks and initiatives that harness local productivity and exposure. Further the programme will identify local innovations and promote adoption and expansion, focusing on grassroots solutions with potential to change lives. The programme is expected to create at least 1, 000 jobs, and impact at least 50, 000 livelihoods through implementation of innovative projects targeted at youth and women empowerment, SMMEs development and trade enhancement as well as inclusive finance.

**Strong partnerships and knowledge creation.** The programme is expected to create platforms for engagement through public-private policy dialogues and facilitate effective participation of SMMEs. The programme will continue and decentralise the pilot government - youth dialogues and mobilise multi-stakeholder approaches to youth development issues. The programme will support a study on the mismatch between the skills inherent in youth and private sector needs and work with partners to address identified gaps. Further, the programme will support production of policy briefing notes and research to understand the challenges in the sector and develop potential solutions.

##### ii) *Data, research and evidence – based planning, monitoring and reporting*

**Improved access and availability of quality and timely data.** Relative to the identified gaps in the SDGs Baseline report, the programme is expected result in generation, collection and analysis of data for at least 25% of the indicators using innovative data collection tools and introduction of protocols that enable exploitation technology, including use of big data, citizen - generated data, and artificial intelligence, and use of existing data sets. To promote integration of the leaving no one behind (LNOB) principles, the programme will facilitate establishment of mechanisms for data disaggregation, to account for dichotomies in people (particularly for women, youth and PWDs), economic sectors, (with focus to selected priority sectors), spatial (rural, urban and peri urban) and administration units in Lesotho.

**Increased knowledge and capacity for research for evidence – based policy.** The programme will support production of some flagship publications and indices at national and a decentralised level, including Human Development and Multidimensional Poverty indices. The programme will also solicit policy briefs, research that exploit available data and encourage development of new measurement frameworks, with focus to priority sectors. A research agenda and capacity building, that is commensurate to the national priorities will be established to enhance knowledge and evidence for policy.

**Enhanced coordination for policy planning, monitoring and evaluation.** The programme will strengthen coordination framework of the NSDP II and support establishment of a coherent planning and implementation mechanism between government and its stakeholders. The programme will develop a mapping of development policies in Lesotho, and support basic analysis for synergies and overlaps, and facilitate evaluation capacities within the national M&E structures. The programme will also develop capacities of the planning cadre, including development of manuals for planning and M&E to enhance wider-government coordination and planning.

**Consistent and effective reporting for NSDP II and SDGs.** The programme will establish guidelines and facilitate technologies to facilitate reporting to the SDGs and NSDP to facilitate oversight and monitoring. The programme will support production of the required global reports for SDGs, including the triennial national SDGs report, and Voluntary national reviews. UNDP will further support development of reporting guidelines for NSDP II, to ease annual reporting and accountability among line ministries. A communication and advocacy strategy will be developed to enhance visibility of results relative to the NSDP. The programme will also facilitate introduction of appropriate technological innovations for national M&E.

### **3.2 Resources Required to Achieve the Expected Results**

In order to achieve the expected results, the following resources required:

- Programme funding. An estimated total funding of USD\$\$\$ will be required to finance the programme between 2019 – 2023. UNDP, government of Lesotho and stakeholders will need to invest in continuous resources mobilisation, to amass the total required resources in this programme.
- Supplies. Based on resources availability, the programme will require support for communication, transport, pedagogical resources, ICT and office equipment and transport.
- Human resources.
  - The programme will be led by the programme officer and supported by the administrative assistant to ensure adherence to internal and processes. As necessary, the programme will engage specialised projects and technical experts to support specific functions in the programme.
  - The programme will also consistently reach out to both regional and headquarters, for additional expertise in selected areas.
  - For general management support, including M&E, procurement and finance, the programme will co-share at the country office.

### **3.3 Partnerships**

The *Ministry of Development Planning* is selected as a primary Implementing Partner, to coordinate and lead engagement with Government and selected ministries on the implementation of the proposed inclusive economic growth initiatives. In line with the NSDP implementation, the Ministry will be expected to coordinate selected ministries, and ensure alignment to the national priorities and strategies.

The following government ministries will be key in promoting the chosen strategies for livelihood development and economic diversification, Ministry of Small Business Development (MSBD), Ministry of Gender and Youth, Sports and Recreation (MGYSR), Ministry of Trade and Industry (MTI), Ministry of Tourism and Environment (MTE), Ministry of Finance and Ministry of Communications and Technology. Government institutions such as BEDCO will play a pivotal role in the programme.

The programme also advocates for involvement of civil society organisations, especially youth and women – led organisations and networks, and private sector institutions. The programme will also include participation of academic sector, to complement research, learning and innovations.

UNDP will further promote broad-based partnerships for resources mobilisation and expansion of possibilities for South – South Cooperation, with UN agencies, development partners, other UNDP country offices as well as engagement of potential and non-traditional donors' agencies.

### **3.4 Risks and Assumptions**

The following assumptions are being made relative implementation of this programme. A detailed risk log in Annex 3.

- The Ministry of Development Planning has adequate human resources and technical capacity to coordinate Ministries and institutions identified to contribute to livelihood development, economic diversification and evidence-based for policy. Other than desk officers in the Ministry of Development Planning, the programme will establish a network of Responsible Partners to lead implementation of respective delivery areas. These will also be linked through a technical team to allow partnerships development, peer learning and support.
- There are mechanisms to enable integrated planning and implementation of the NSDP, and ministries and departments have strategic plans, to allow government leadership, sustainability and ownership of proposed interventions. The programme will work with the relevant Departments in the Ministry of Development Planning to facilitate broader government engagement and sustainability by utilizing the NSDP coordination structures.
- There are adequate resources financial and technical to support implementation of identified initiatives. The programme approach allows for a continuous resources' mobilization and gradual inclusion of proposed interventions by assimilating regular reviews and lessons into programme implementation.
- Change of government resulting in changes in the political leadership in government ministries and programme instability and changes in government priorities. The programme will strengthen engagement and capacities at the middle management to ensure continuity of programmes and to minimize impact of changes in government

### ***3.5 Stakeholder Engagement***

The programme is targeted at the following stakeholders:

- Government ministries, technical staff and the Depts of Planning and Statistical units. The Programme will work with the Ministry of Planning to strengthen coordination and information filter between the ministries and the programme. The programme will further use the relevant NSDP II coordination platforms to ensure relevance of programme strategy and proposed interventions. Relevant ministries will also be engaged through technical team meetings, which will be used to facilitate peer learning, promote partnerships and share information.
- Youth and women – led enterprises. These will be engaged both directly and through CSO networks. The Ministry of Gender and Youth, Sports and Recreation, has established a data base of youth and women – led enterprises, which will be utilised to provide targeted interventions. This will also be updated through the planned registration platform to improve knowledge base on the sector. Further, CSO umbrella organisations, such as LCN and the UN Youth Reference group will be engaged to maintain CSO presence and representation in programme activities.
- Private sector networks. Representatives of business and private sector, through the two private sector networks, Private Sector Foundation and the Lesotho Chamber of Commerce and Industry will be maintained in the programme. These will further participate in relevant projects technical committees and Programme board.
- People in the urban and rural areas of Lesotho. The programme is intended at creating opportunities for economic inclusion for men, women, youth, people with disability. Other than direct programmes, these will be engaged through knowledge resources, media platforms and information on the programme implementation and results
- Academia. The academic sector is important for contributing to the knowledge base and research in the programme. Further, these will contribute in promoting innovations and creativity for employment creation.

### ***3.6 South-South and Triangular Cooperation (SSC/TrC)***

The programme will utilise opportunities for South – South and Triangular Cooperation for capacity building and to share lessons and best practices generated within the programme. Expertise and experiences from other countries and programmes will be constantly referred to enhance programme effectiveness and sustainability. The programme will also develop a strategy to identify good practices and document strategies mature for South – South Cooperation.

### ***3.7 Knowledge***

As part of programme implementation, UNDP will produce the following publications and products on the project:

- Policy briefs
- Media products on major project outputs
- Research products
- Databases on local innovations and initiatives (especially for youth, women and PWD)
- Economic profiles sector influencers
- Data and statistics publications
- Technology based innovations

In line with the UNDP Partnership and Communications Strategy, the programme will develop a visibility and communication plan to guide publicity and media engagement. Further, UNDP platforms such as website, social media and newsletters will be utilised to spread programme information and results. The programme will also promote reporting and communication for results among partners, to build ownership for results and anticipated advocacy on results.

### ***3.8 Sustainability and Scaling Up***

The programme is aimed at contributing to national results to action commitments made through the UNDAF and CPD. UNDP will work closely with the Ministry of Development Planning to ensure alignment to national programme priorities to build programme sustainability and continuity. The programme will further establish technical committees to facilitate joint planning, decision – making and implementation. In line with the Lesotho Partnership Policy, UNDP in collaboration with partner ministries will submit programme plans, budgets and reports, to facilitate coordination and explore opportunities for collaboration. Based on the results of the Micro Assessments for Implementing and Responsible partners, the programme will development capacity building plan to support and enhance capacities of stakeholders to independently deliver the programme beyond the UNDP support. Scaling up plans will be established based on programme results, institutional capacities and relevance to national priorities.

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## **IV. PROJECT MANAGEMENT**

### ***4.1. Cost Efficiency and Effectiveness***

In line with the NSDP, the programme design is proposing to deliver sustainable economic growth and employment creation through two –pronged strategy, focusing on livelihoods development and economic diversification and data capacities. The adopted management approach will facilitate development of a systematic strategy for identification and engagement of target groups, effective resources mobilisation and management, a singular documentation of lessons learnt and partnerships. This will further improve programme efficiencies by streamlining management processes, facilitating linkages between similar activities, improved quality and potential for results.

The programme will have one programme management document, and a single programme implementation and procurement plan. These will be reviewed regularly to improve efficiencies and to ensure that the desired outputs are being achieved, in required quality and timeliness.

### ***4.2. Project Management***

National implementation modality is the default modality for this programme. The Ministry of Development Planning, as a lead partner in this programme, will also support implementation decision-making, monitoring and evaluation and facilitate benchmarking to national programmes. Each ministry, department and institution involved in the programme will be required to appoint technical focal point, whom shall lead implementation and engagement in technical sessions. Harmonised Approach to Cash Transfers (HACT) will be used in a coordinated fashion, together with other programme units and agencies to manage risks. UNDP will develop and support stakeholder capacities for reporting, utilising, where possible, technological innovations to enhance transparency. Regular project and management audits and spot checks will be carried out to ensure efficiency of internal controls and accountability.

## V. RESULTS FRAMEWORK<sup>2</sup>

### Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:

Outcome 3.1: 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 persons with disabilities

### Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

2.1. Average annual earnings of female and male employees *Baseline:* Men \$288 Women \$208 (2008) *Target:* Men \$288; Women \$224

2.2. Proportion of working-age population that have employment in formal and informal sectors (access to decent work), by sex and age

*Baseline:* Total 44.1% (2008)

Age: 15-24: M:4.9%, W:2.2%

Age: 25-34: M:9.5%, W:6.1%

Age: 35-64: M:12.1%, W:9.3%

*Target:* Total 50.6%

Age: 15-24: M:5.9%, W:5.2%

Age: 25-34: M:10%, W:7.6%

Age: 35-64: M:12.1%, W:9.8

2.3. Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

*Baseline:* 45.9%, *Target:* 40%

### Applicable Output(s) from the UNDP Strategic Plan:

1.1.1 Capacities developed across the whole of government to integrate the 2030 Agenda, the Paris Agreement and other international agreements<sup>3</sup> in development plans and budgets, and to analyse progress towards the SDGs, using innovative and data-driven solutions

1.1.2 Marginalized groups, particularly the poor, women, and people with disabilities and displaced are empowered to gain universal access to basic services and financial and non-financial assets to build productive capacities and benefit from sustainable livelihoods and jobs

1.6.1 Country-led measures accelerated to advance gender equality and women's empowerment

### Project title and Atlas Project Number:

<sup>3</sup> Includes Addis, Beijing, Istanbul, Quito, SAMOA and Sendai.

EXPECTED OUTPUTS	INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)						DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	Year 3	Year 4	Year 5	FINAL	
Output 1. National and local level institutions have enhanced technical capacities to coordinate and facilitate effective planning, implementation, analysis and national reporting on the Sustainable Development Goals using innovative and data driven-solutions	1.1. Extent to which development plans and budgets integrate international agreements across the whole-of-government: (a) 2030 Agenda for Sustainable Development (b) Paris Agreement (c) African Union Agenda 2063	Ministry of Development Planning; National budget framework, Reports	(a) 1; (b) 0; c) 1	2018	a) 1 b) 0 c) 1	a) 1 b) 1 c) 1	a) 2 b) 2 c) 2	a) 2 b) 2 c) 2	a) 3 b) 3 c) 3	a) 3 b) 3 c) 3	Qualitative data methods: observation, case studies, reports  Risks: Government budgeting and reporting does not explicitly provide required information
	1.2 Extent to which there are data collection/analysis mechanisms in place providing disaggregated data to monitor progress towards the Sustainable Development Goals: (a) Conventional data collection methods (e.g., surveys) (b) Administrative reporting systems (c) New data sources (e.g., big data)	Bureau of statistics; Reports	(a) 1; (b) 0 c) 0;	2018	(a) 1; (b) 0 c) 0;	(a) 1; (b) 1 c) 0	(a) 1 (b) 1 c) 1	(a) 2 (b) 3 c) 2	(a) 2 (b) 3 c) 3	(a) 2 (b) 3 c) 3	Qualitative data methods: observations, case studies, reports  Risks: Delay in adoption of non-traditional data collection methods and data sources in the national data ecosystem
Output 2. Capacities of government institutions and private sector improved to create	2.1. Number of gender-sensitive policies/legal frameworks promoting employment creation adopted and implemented	Ministry of Development Planning	2	2018	2	2	4	4	5	5	Qualitative data methods: observations, case studies, reports

EXPECTED OUTPUTS	INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)						DATA COLLECTION METHODS & RISKS	
			Value	Year	Year 1	Year 2	Year 3	Year 4	Year 5	FINAL		
competitive and gender-sensitive business environment and enable effective economic participation of MSMEs												<i>Risks: Limited capacity and awareness on gender equity and women's empowerment issues in lead institutions and ministries</i>
	2.2. Number of MSMEs participating in policy dialogues for private sector development	Ministry of Small Business Development, Ministry of Development Planning	0	2018	20	40	50	50	100	100	100	Quantitative data: register, surveys  <i>Risks: Lack of recognised network of MSMEs (by industry)</i>
	2.3. Proportion of Gender Seal certification areas for private sector adopted and implemented	Ministry of Gender and Youth, Sports and Recreation,	0	2018	0	0	5%	10%	20%	20%	20%	Qualitative data methods  <i>Risks: Limited capacity and awareness on gender equity and women's empowerment issues in lead institutions</i>
Output 3. Capacities of national public and private sector institutions strengthened to promote enterprises development	3.1. Number of start-up enterprises in priority sectors (tourism, agriculture, manufacturing, ICT) (a) registered annually (disaggregated by age, sex of owner and sector); and (b) still in business two years after registration	Ministry of Trade and Industry	tbc	2018	tbc							Database  <i>Risks: Lack of a disaggregation mechanism in the OBFC; limited mechanisms for monitoring established businesses</i>

EXPECTED OUTPUTS	INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)						DATA COLLECTION METHODS & RISKS	
			Value	Year	Year 1	Year 2	Year 3	Year 4	Year 5	FINAL		
	3.2. Percentage of MSMEs with access to formal financial services: (a) bank; (b) mobile money	Central Bank of Lesotho	48%	2015			55%			55%		Surveys  <i>Risks: time lag between the surveys, and lack of mechanisms to update information between the surveys periods</i>
	3.3. Number of new jobs created through MSMEs disaggregated by (a) gender; and (b) age	MSBD, MGYSR Private sector institutions, SMMEs	2, 526								3, 500	Quantitative data: register, surveys  <i>Risks: lack of data collection and measurement tools on new jobs created</i>

## VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the programme will be monitored through the following monitoring and evaluation plans:

### Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners	Cost
<b>Track results progress</b>	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.	Ministry of Development Planning	0.00
<b>Monitor and Manage Risk</b>	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	Ministry of Development Planning	0.00
<b>Learn</b>	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	Ministry of Development Planning	5,000
<b>Annual Programme Quality Assurance</b>	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	Ministry of Development Planning	0.00
<b>Review and Make Course Corrections</b>	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.		0.00

Monitoring Activity	Purpose	Frequency	Expected Action	Partners	Cost
<b>Programme Report</b>	<p>A progress report will be presented to the Programme Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.</p>	Annually, and at the end of the programme (final report)		Ministry of Development Planning	5,000
<b>Programme Review (Programme Board)</b>	<p>The programme's governance mechanism (i.e., project board) will hold regular programme reviews to assess the performance of the programme and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the programme. In the programme's final year, the Programme Board shall hold an end-of-programme review to capture lessons learned and discuss opportunities for scaling up and to socialize programme results and lessons learned with relevant audiences.</p>	<p>Programme Board meetings (at least 2 times a year)</p> <p>Programme review meetings (once annually)</p>	Any quality concerns or slower than expected progress should be discussed by the programme board and management actions agreed to address the issues identified.	Ministry of Development Planning	0.00

## Evaluation Plan

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
End of project Evaluation of Lesotho Data for Sustainable Development	European Union	SP Outcome 1: Advance poverty eradication in all its forms and dimensions	Outcome 2: 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 PwDs	September 2019	Ministry of Development Planning,	40, 000 (Project resources)
Thematic Evaluation on role of UNDP in creating inclusive employment in Lesotho				June 2020	Ministry of Development Planning	50, 000
Mid-term evaluation of the Country Programme (2019 – 2023)		SP Outcomes 1,2&3		Sept 2021	Ministry of Development Planning	20, 000

## VII. MULTI-YEAR WORK PLAN

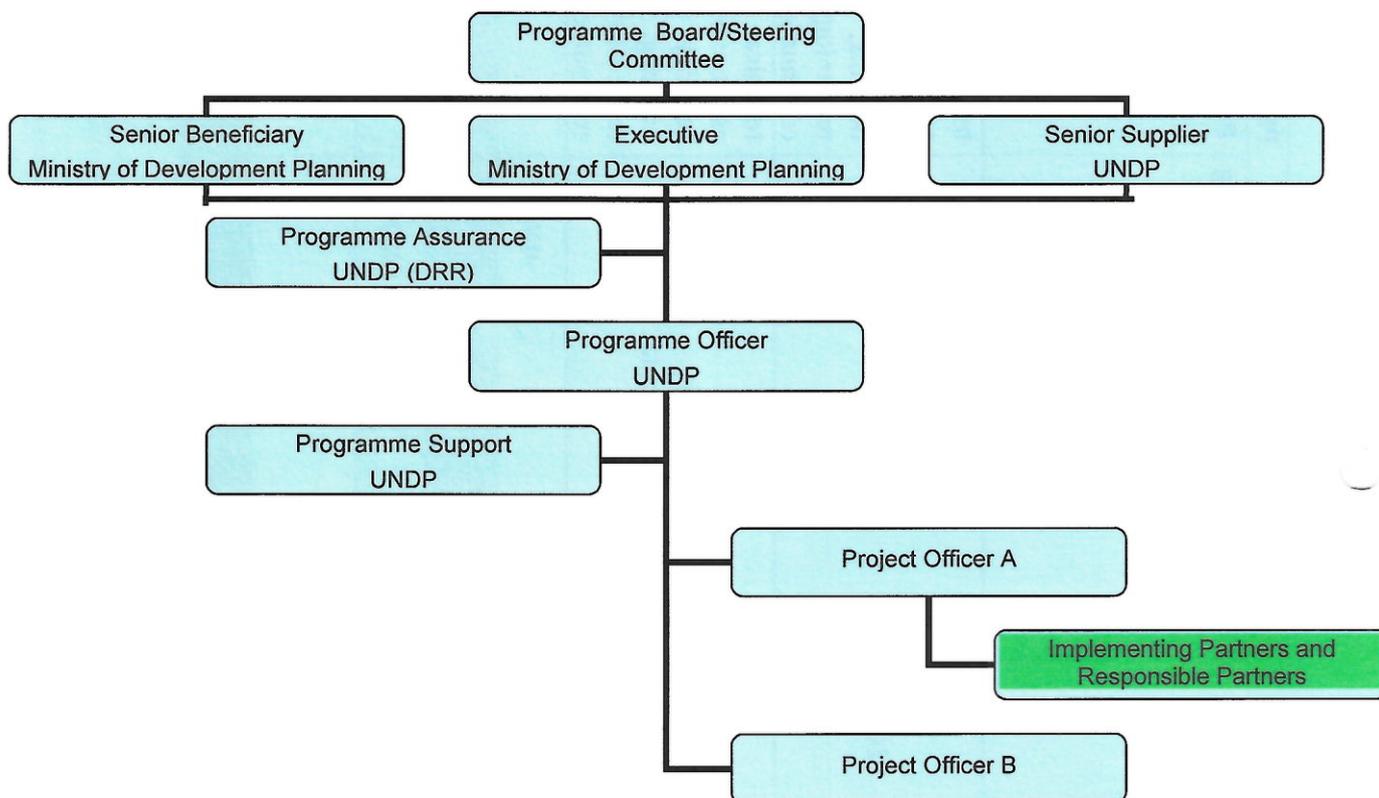
EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year					RESPONSIBLE PARTY	PLANNED BUDGET		
		2019	2020	2021	2022	2023		Funding Source	Budget Description	Amount
Output 1. Capacities of government institutions, private sector improved to create competitive and gender sensitive business environment and enable effective economic participation of SMMEs	1.1. Support development of policies, institutional frameworks and legal instruments for inclusive growth and employment creation	275,000	205,000	205,000	100,000	100,000	MCT, MSBD, MGYSR, MTI	ITU, ITC, UNDP, UNCTAD	technical assistance, capacity building, communication	885,000
Gender Marker: 2	1.2. Support data production and disaggregation mechanisms for selected sectors (tourism, agriculture, manufacturi		50,000	150,000	100,000	90,000	MDP, MTI	UNDP, ITC	technical assistance, capacity building, communication	390,000
	MONITORING	5,000	5,000	5,000	5,000	UNDP	UNDP		25,000	
	<b>Sub-Total for Output 1</b>	<b>280,000</b>	<b>260,000</b>	<b>360,000</b>	<b>205,000</b>	<b>195,000</b>			<b>1,300,000</b>	
Output 2. Capacities of national and private sector institutions	2.1. Support partnerships and knowledge creation for inclusive growth	20,000	50,000	100,000	50,000	20,000	MDP, MSBD, MTI, private sector	UNDP	technical assistance, capacity building, communication	240,000

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year					RESPONSIBLE PARTY	PLANNED BUDGET				
		2019	2020	2021	2022	2023		Funding Source	Budget Description	Amount		
strengthened to promote enterprises development												
<i>Gender marker: 2</i>	2.2. Support entrepreneurship training, access to finance, innovations and grants for innovations	1,186,000	1,075,000	900,000	750,000	600,000	MTI, MSBD, MGYSR, MDP, MF	UNDP	technical assistance, capacity building, communication, grants, technology	4,511,000		
	MONITORING	12,000	10,000	10,000	10,000	6,000	UNDP					48,000
	<b>Sub-Total for Output 2</b>	<b>1,218,000</b>	<b>1,135,000</b>	<b>1,010,000</b>	<b>810,000</b>	<b>626,000</b>						<b>4,799,000</b>
<b>Output 3: National and local level institutions have enhanced technical capacities to coordinate and facilitate effective planning, implementation, analysis and national reporting on the Sustainable Development Goals using innovative and</b>	3.1. Support innovations for data production, use and dissemination of data	200,000	100,000	600,000	500,000	300,000	MDP, All	UNDP, EU	technical assistance, capacity building, communication	1,700,000		
	3.2. Support integrated planning, M&E, and reporting for NSDP II	60,000	170,000	500,000	240,000	100,000	MDP	UNDP	technical assistance, capacity building, technology, communication	1,070,000		

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year					RESPONSIBLE PARTY	PLANNED BUDGET		
		2019	2020	2021	2022	2023		Funding Source	Budget Description	Amount
data driven-solutions										
	3.3. Support SDGs implementation and reporting	190,000	50,000	100,000	120,000		MDP	UNDP, EU	technical assistance, capacity building, technology, communication	460,000
<i>Gender marker: 1</i>	3.4. Support research and analysis for policy and evidence	30,000	100,000	100,000	50,000	50,000	MDP, academia	UNDP	technical assistance, capacity building, technology, communication	330,000
	MONITORING	5,000	5,000	13,000	9,000	4,500		UNDP		36,500
	<b>Sub-Total for Output 1</b>	<b>480,000</b>	<b>420,000</b>	<b>1,300,000</b>	<b>910,000</b>	<b>450,000</b>				<b>3,596,500</b>
<i>Evaluation relevant)</i>	EVALUATION	50,000	40,000	25,000	10,000			UNDP		125,000
General Management Support		114,000	324,000	324,000	324,000	324,000				1,410,000
<b>TOTAL</b>		2,142,000	2,179,000	3,019,000	2,259,000	1,595,000				11,230,500

## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The programme will be managed by UNDP, with oversight and governance support from the Programme Steering Committee, as reflected below:



**Programme Steering Committee:** The Programme Steering Committee (PSC) is responsible for the overall direction and management of the programme. The PSC is the group responsible for making executive management decisions for a programme when guidance when required, including approval of programme plans and revisions. This group contains three roles as defined below:

- an **Executive (Ministry of Development Planning)**, representing the programme ownership and alignment to the national priorities. Also acts as chairperson to the Committee.
- a **Senior Supplier (UNDP)** to provide guidance regarding the technical feasibility, including compliance and alignment to UNDP objectives. Acts a co-chairperson to the Committee.
- A **Senior Beneficiary** to ensure the realization of programme benefits from the perspective of programme beneficiaries represented. This role will be played by the Ministry of Development Planning as an interlocutor for development and lead coordinating agency in Lesotho. Other stakeholders to be involved in the programme include government ministries, (Ministry of Finance, Ministry of Small Business Development, Ministry of Tourism, Ministry of Development Planning, Ministry of Gender and Youth, Sports and Recreation) NGOs, academia and private sector.

The Steering Committee will meet every six months and review and approve annual budgets and work plans and provide strategic guidance to the programme. An annual programme review will be hosted annually to share programme results and review progress towards programme objectives.

The **Programme Officer** has the authority to run the programme on a day-to-day basis on behalf of the Steering Committee within the mandate and strategic organisation of UNDP and is responsible for management and decision-making for the programme . The Officer is mainly accountable to delivering

the programme results in line with stated objectives, to the required standard of quality and within the specified constraints of time and cost. S/He will be hired by UNDP and will be charged with the responsibility of implementing the programme from planning, implementation, monitoring and evaluation, to reporting phase. S/he must coordinate programme activities and provide programme oversight in liaison with implementing partners. The **Programme Support** role provides programme administration, management and technical support based on the needs of the individual programme..

**Programme Assurance** is the responsibility of the Steering Committee; however, daily monitoring function in this regard is delegated to the UNDP Deputy Resident Representative. The role of the Programme Assurance is to ensure compliance to UNDP quality standards and policy, as well as provide strategic oversight and leadership, relative to overall UNDP programme support.

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## IX. LEGAL CONTEXT

This programme document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Lesotho and UNDP, signed on 31 December, 1974. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This programme will be implemented by Ministry of Development Planning ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

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## X. RISK MANAGEMENT

1. Consistent with the Article III of the SBAA [*for the Supplemental Provisions to the Programme Document*], the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
  - a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
  - b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml).
4. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).

5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
8. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).
9. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
10. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

11. UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Note:* The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

12. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
13. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
14. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

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## **XI. ANNEXES**

- 1. Project Quality Assurance Report (Guidance provided, to be completed in April 2019)**
- 2. Social and Environmental Screening** Not required for this programme
- 3. Risk Analysis.**
- 4. Capacity Assessment:** Results of capacity assessments of Implementing Partner (including HACT Micro Assessment) ( to be ready in May 2019)
- 5. Project Board Terms of Reference and TORs of key management positions**