

**Midterm Evaluation of Lesotho Country Programme
Outcomes**

FINAL REPORT

PREPARED FOR

**THE UNITED NATIONS DEVELOPMENT PROGRAMME
(UNDP) LESOTHO**

By

Stephen Chipika

International Consultant
Cell: 5163 8072, +263 772 219 118
E-mail: schipika@gmail.com

5 December, 2016

LIST OF ACRONYMS

AGOA	African Growth and Opportunity Act
AU	African Union
BDS	Business Development Services
BEDCO	Basotho Enterprises Development Corporation
BOS	Bureau of Statistics
CBO	Community Based Organisations
CEDAW	Convention on the Elimination of all forms of Discrimination Against Women
CPD	Country Programme Document
CO	Country Office
CP	Country Programme
CSOs	Civil Society Organisations
DaO	Delivering as One
EIF	Enhanced Integrated Framework
EYD	Empowering Youth for Development
GBV	Gender Based Violence
GDP	Gross Domestic Product
GE	Gender Equality
GEWE	Gender Equality and Women Empowerment
GOL	Government of Lesotho
IPs	Implementing Partners
LNDC	Lesotho National Development corporation
M & E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MSMEs	Micro, Small and Medium Enterprises
MGYSR	Ministry of Gender Youth Sport and Recreation
MoDP	Ministry of Development Planning
MOF	Ministry of Finance
NGTC	National Gender Technical Committee
NYEAP	National Youth Employment Action Plan
NDP	National Development Plan
NSDP	National Strategic Development Plan
OBFC	One Stop Business Facilitation Centre
PD	Project Document
PPPs	Public Private Partnerships
SACU	Southern Africa Customs Union
SDGs	Sustainable Development Goals
SMART	Specific, Measurable, Assignable, Realistic and Time-related
SP	Strategic Plan
SUFIL	Support to Financial Inclusion
TA	Technical Assistance
TOR	Terms of Reference
UN	United Nations

UNAIDS	Joint United Nations Programme on HIV and AIDS
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
YES	Youth Employment Scheme
WEE	Women Economic Empowerment
WEEF	Women Economic Empowerment Forum
WFP	World Food Programme

Table of Contents

LIST OF ACRONYMS	ii
Executive Summary	vi
1.1 Background	1
1.2 Mid-term Evaluation Purpose	3
1.2.2 Scope of the Evaluation and Objectives.....	3
2. Evaluation Approach and Methods	4
2.2 Data collection procedures and analysis	5
3.1 Assessment by Evaluation Criteria.....	6
3.1.1 Relevance of the Results/Appropriateness of Design.....	6
3.1.2 Efficiency of implementation.....	10
3.1.3 Effectiveness	12
3.1.4 Sustainability	17
4. Lessons Learnt	23
5. Conclusions.....	23
6. Recommendations	24

List of Stakeholders to Contacted: Accelerating Inclusive Growth. Error! Bookmark not defined.

Executive Summary

Mid-term Evaluation Purpose

E.S 1. The evaluation was carried out as part of the UNDP programme management requirements to assess contribution towards outcome achievements, impact and the role played across different projects through a variety of partnerships. This is designed to complement evaluation of projects, which has been on-going. The outcome evaluation is envisaged to further provide evidence for accountability of programs and resources invested, guide performance improvement for partnerships, identify impediments to outcome achievements and provide lessons for the next programming cycle. In specific terms, as per the TORs, the evaluation will assist the UNDP and Implementing Partners (IPs) to determine, in an independent manner, the following:

- i. The extent to which the planned objectives, outcomes and results of the programme have been or are being achieved;
- ii. The relevance, efficiency and effectiveness of the programme in achieving its objectives, outcomes and results;
- iii. Assessing the factors that affect the outcome and its sustainability, including contributing factors and binding constraints; and,
- iv. Assessing the strategy of UNDP in making contribution to the outcome, including on the use of partnerships engaged in implementation and programming arrangements.

An assessment by evaluation criteria has also been undertaken in this evaluation, with the findings summarized in the following tables.

Outcome to be Evaluated

ES 2. The outcome to be evaluated is *“By 2017, public and private institutions promote increased investment, manufacturing, trade and financial services and create decent employment in an inclusive and sustainable manner”*, GOL, NSDP, 2012. The outcome is linked to Focus Area 1: Acceleration of Inclusive Growth (Employment Generation) of the UNDP Lesotho Country Programme.

The projects that form the basis of the evaluation of strategic focus area 1 are as follows:

- i. Support to Financial Inclusion in Lesotho (2012 – 2014);
- ii. Economic Growth and Development (2012 – 2015);
- iii. Integrated Economic Development Project (2014 – 2017); and
- iv. Empowering Youth for Development (2012 – 2014).

RELEVANCE

ES 3. The focus area aims to support the economy to become more resilient to external shocks and volatility by generating employment in an inclusive manner. Building on policies developed, UNDP seeks to facilitate private sector development and engagement with focus to growing medium-sized, small and micro enterprises based on access to technical and vocational skills as well as targeted financial products from micro finance institutions. UNDP is building on earlier support provided in the development of policies and strategies, which cover a range of key sectors of the economy, from strengthening of monitoring and evaluation at the Ministry of Development Planning, strengthening of the national statistical capacity at the Bureau of Statistics (BOS), youth employment, industry and trade facilitation, micro small and medium enterprises development, investment promotion, development of the mining sector and other strategic areas.

ES 4. All the programme components are sufficiently linked with the NDSP. Overall the CO programme has supported priority projects in an effort to accelerate development of an inclusive private sector in Lesotho, especially in relation to business development services (BDS) needs of micro small and medium enterprises (MSMEs), many of which are presumed to be run or managed by women and youth. Through platforms established during project implementation and thereafter, the work supported by the UNDP has contributed to heightened awareness of the need for inclusive private sector development, in particular, financial services, in the public-private fora. There is growing interest geared towards investment in the private sector through public private partnerships, involving government, the private sector and some international development cooperating partners.

ES 5. The Evaluation notes that the CP design needed to adopt a truly inclusive approach, based on a more well thought out theory of change. Inclusivity entails coverage of a wide range of marginalized categories of people, from rural people, who are in the majority, women and youth, who require a distinct focus, people living with disability and people living with HIV and AIDS.

ES 6. The UNDP Lesotho has a well-established programme planning process, which follows the UNDAF, and with the CPD implementation period aligned with that of the NSDP (2012/13 – 2016/2017). Overall, there is a fair level of alignment between the CO programme components, the UNDAF and the NSDP, other sectoral policies and strategies.

EFFICIENCY

ES 7. On the basis of indicative evidence that shows adherence by the CO to the existing UN financial and procurement procedures, rules and regulation, which have been largely followed, during the CPD period, it can be concluded that there has been an economic use of resources, human and financial, time and equipment. The

evaluation notes that the human resource capacity constraints within the UNDP unit responsible for the focus area have constrained achievement of the outputs to the extent that is desirable. This can be reflected in constraints associated with follow-up of key actions with implementation partners.

ES 8. The mid-term evaluation needed to generate evidence to assess in a more conclusive manner the capacity of the UNDP country office in project management, data collection and M & E in determining efficiency. The Evaluation did face challenges in data collection and M & E capacities at the CO level, linked to assessment of efficiency criterion. Furthermore, in-depth analysis of efficiency should be informed by periodic financial audit reports, which the mid-term evaluation will access.

EFFECTIVENESS

ES 9. The effectiveness of the Country Programme shows mixed outcomes at the macro, meso and micro levels. At the macro level, the CP was expected to strengthen capacities to improve the policy and regulatory environment as well as foster the leadership of MOF and MoODP and other sector ministries such as Ministries of Trade and Industry, Development Planning, Gender Youth Sports and Recreation, Small Business, Cooperatives and Marketing and Mining in coordination of relevant strategic areas. However, except in a few cases, for example, the case of the Ministry of Trade and Industry, with respect to the OBFC and the Ministry of Mining¹, and to some extent, the MGYSR, in the case of the new National Youth Policy, many Government Ministries, Departments and Agencies are not taking the leadership expected of them as envisaged in the Project Document (PD). Hence the strengthening of MOF, MoDP and most MDAs cooperating with the UNDP in various strategic areas and in sector coordination on issues linked to inclusive growth has largely not happened.

ES 10. The Evaluation assesses that many of the expected outputs have been delivered according to expectations, demonstrating a good level of progress in the production of the deliverables. Whilst the outputs generated are substantial and commendable, the link between the outputs and the outcomes needs critical analysis. The projects or intervention areas supported, from Support to Financial Inclusion in Lesotho (2012 - 2014), Economic Growth and Development (2012 - 2015) to Integrated Economic Development, (2014 - 2017), and Empowering Youth for Development (2012 - 2014) are not linked to substantial M & E frameworks, implemented to track progress on performance of indicators over time. The Irish Aid County Programme Evaluation, EU Programming Strategy, 2014-17 cites one major bottleneck for all programme areas in Lesotho. There is lack of data for planning and monitoring. Baseline data is missing in key outcome indicators, such as gender

¹ With limited resources, the Ministry of Mining is going ahead in developing an IP for the newly adopted Mining Policy. However, capacity constraints might hinder progress in development of the IP, in view of the possibility of failing to secure competent international expertise, if necessary. Most Ministries and Departments in Lesotho have been unable to take such an initiative, without substantial external financial and technical facilitation.

disaggregated data on inclusive private sector development, employment creation for women and youth. Although some successes have been recorded, substantially more effort is needed in strengthening the national statistical system and results based M & E. The need for Lesotho to take bold practical measures to improve on evidence based monitoring and reporting to assist planning and increase the effectiveness of interventions cannot be over-emphasised.

ES 11. Evidence of what outputs have been delivered (both in terms of quantity and quality) is also available. UNDP contributed to closing gaps in the country's economic policy and regulatory environment by developing the National Investment and Mining Policies, amongst other deliverables. However, the main reasons for underperformance in the policy development processes are the lengthy and complex procedures for adoption of policies, legal and regulatory frameworks, which include parliamentary and cabinet endorsement. This hampers full adoption of the policies drafted. Oftentimes, the frequent changes in senior government staff has implied loss of 'champions' of certain policies and legal frameworks. Once the senior government managers have been re-deployed, new incumbents are unable to keep with the thrust of their predecessors, situation which has led to erratic implementation of key programmes.

SUSTAINABILITY

ES 12. Although a large number of policies have been developed, through UNDP support, many are still in draft form and have been so for many years. The policy engagement process is cumbersome, requiring cabinet and parliamentary approval, which in principle seeks to assure ownership at the highest level. However, despite the long policy development processes, discussions with most stakeholders point to lack of coordination between different sector ministries within government. Lack of government ownership continues to affect the work of UNDP, in virtually all focus areas, including that of inclusive growth, with a dire need for leadership and cultural change in governance and the slow pace of doing business in Lesotho.

ES 13. Central to the sustainability of all programmes and interventions is commitment from the state to continue to finance, through national budgetary allocation, to scale up priority projects and ensure that benefits continue to accrue beyond the UNDP supported phase. Moreover, many of the interventions supported are supposed to demonstrate substantial commitment from the IPs, at all stages, from planning, design, implementation, to monitoring and evaluation. The commitment can be demonstrated by taking appropriate actions, especially during policy implementation. Such a national commitment, referred in the theory of change, is largely missing in the case of Lesotho. The underlying factors are linked to widely acknowledged gaps in the area of democratic, institutional and corporate governance.

Gender Equality and accelerating inclusive growth

ES 14. On gender equality (GE), although women economic empowerment (WEE) is stated in the CPD as an area of intervention, evidence shows that there is no

substantial collaboration on WEE support between MGYSR and UNDP or any other UN agency during the CPD reference period. With an annual budget of M5 million, mostly to cover staff salaries, the Department of Gender in the MGYSR operates on a severely constrained budget, and is unable to make substantial in-roads on WEE in Lesotho. There is a big financing gap for WEE projects, overall, hence limited programme outreach and effectiveness. This has implications on sustainability of GE related interventions. According to MGYSR, the ministry operates on a budget which is less than 20 percent of basic requirements to meet programme operational requirements. Many of the MGYSR projects, supported by the UNDP in the past have been heavily scaled down after the project ended. Examples include support to the Youth Employment Scheme (YES) and support to women entrepreneurship skills development. Support to WEE remains fragmented, with weak gender equality and WEE implementation structures. There is a challenge with linkages between coordination on gender equality and the UNDP country programme. There is also need to establish a WEE Enterprise Fund to address challenges of weak support to WEE, with less than desirable cooperation between different key stakeholders on priority interventions and activities related to inclusive growth and private sector development

ES 15. Areas where partnerships need to be strengthened through UNDP contribution include TA support to the gender technical committee and in the establishment of the women economic empowerment forum (WEEF). The National Gender Technical Committee (NGTC), which had become passive over much of the period of the UNDP country programme, has recently been resuscitated. The effort, amongst others, is an attempt to develop and implement a clear national vision on GE, which has been lacking for the country. UNDP is well positioned to follow through and ensure coordinated support, within its human and financial resources limits, and facilitate more effective functioning of the WEEF and the NGTC, as well as other fora to mobilize UN agencies on the need to support these initiatives.

Lessons Learnt

ES 16. The complexity of binding constraints that deter the acceleration of inclusive growth requires innovative approaches, robust programme design by UNDP, to enable redeployment of the resources of government, other development partners, the private sector and CSOs within the framework of a networked approach involving a great variety of stakeholders.

ES 17. There are some many 'pockets of actions' by stakeholders, which are not coordinated in Lesotho, demonstrating no evidence of delivery of results. The fragmentation of the national support system for supporting measures to accelerate inclusive growth calls for new innovative, more coordinated mechanism, to ensure synergy of interventions to achieve the desired outcomes. The UNDP is in a position to lead in coordination of the national support system, especially at macro and meso level, affecting downstream activities at micro level.

ES 18. The establishment of an enabling environment for inclusive private sector development (much of which involves targeting the growth of MSMEs, the domestic private sector and measures to increase competitiveness overall) is central to acceleration of inclusive growth. The UNDP support to the OBFC is centred on enabling inclusive private development, incorporating support to MSMEs, in a substantial manner, through practical measures implemented through the Ministry of Industry and Trade, a key partner IP.

ES 19. The transformation of the political environment, inclusive and democratic governance structures are necessary to address the binding constraints to accelerating inclusive growth, reducing poverty.

ES 20. The establishment of results-based management and results oriented performance monitoring, with penalties for non-delivery and rewards for good performance is necessary to facilitate a much needed leadership and cultural change in governance, with transparent accountability structures.

ES 21. Substantial acceleration of inclusive growth requires an integrated planning among sectors, joint programme planning, monitoring and implementation to maximize on leveraging available resources a variety of stakeholders, for synergy and to achieve desired outcomes.

ES 22. The implementation of the UNDP supported country programme shows that the organisation has strong capacity to undertake upstream work, that is, support to development of policies, strategies and legal frameworks. However, with an unknown and large number of national policies and strategies developed, either not implemented at all or remaining as 'drafts', this calls for reviewed and new approaches to the involvement of UNDP in upstream work, examining what the most binding constraints have been in the past. Substantial accomplishment of the outcomes linked to the CPD outcome areas in accelerating inclusive growth goals and objectives tends to be elusive, due to binding constraints/challenges within the entire national support system (from macro, meso and micro), poor accountability, overall lack of results orientation, exacerbated by weak governance structures which are supposed to reinvigorate transformation – a failure of realization of the key assumptions in the development context of Lesotho.

Recommendations

Policy level

Recommendation 1: In view of the absence of a comprehensive national level inclusive private sector development strategy, a key gap in accelerating inclusive growth, the Evaluation recommends the Government of Lesotho, with possible TA support from the UNDP, taking the lead in developing an inclusive PSD strategy as matter of priority. The strategy ought to be linked to the MSME policy, with a thrust to identify missing elements which are key to accelerating inclusive growth;

Recommendation 2: Government consider national budget resource re-allocation to prioritise the development of inclusive growth in Lesotho. UNDP can also give TA support to ensure improved planning, prioritization of 'priorities of priorities', accompanied with implementation of a Results-Oriented Monitoring Framework. Stronger interaction between the UNDP CO and the Office of the Prime Minister or Chief Government Secretary is strongly recommended.

Recommendation 3: UN/DPs and Government: Operationalize High Level Forum (HLF) and other institutional mechanisms, involving the UN Resident Representative, Heads of DP Organisations and Office of the Prime Minister;

Institutional

Recommendation 4: The UNDP CO reviews its human resources capacities and funding levels, with a view to boosting capacity where gaps are identified, particularly in the area of provision of timely and quality TA support to implementing partners, at all stages, from design, strategic planning, implementation, monitoring and evaluation, reviews and **reporting**. Specifically, the UNDP must consider resourcing the Strategy and Policy Unit, with additional expertise, minimum, an experienced Programme Specialist, to boost the existing human resources capacity. Consideration must also be made to phase in structured short-term TA inputs, based on identified priority areas and gaps;

Recommendation 5: The UNDP Country Office Management ensure that the future CP design 'unpacks' in a substantive manner, critical issues for inclusive growth. This in view of the fact that 75 percent of the population resides in rural areas, with 60 percent of the country's population being poor (GOL, 2015). The conceptual framework on inclusive growth must have has key target groups, the following:-

- i. Substantive focus on rural people; who are in the vast majority;
- ii. Focus on women (to be more convincingly incorporated in programme design, including in performance tracking);
- iii. Substantial focus on the youth (in view of growing importance of youth issues, at country level, regionally and globally);
- iv. Focus on people living with disability; (a major group in country's context); and,
- v. People living with HIV and AIDS (livelihoods), given the extent of the problem of HIV and AIDS in the country;

Recommendation 6: To fast-track implementation of policies, strategies, legal frameworks, the effort of the UNDP CO must be linked to timeous development of actionable implementation plans as prioritized.

Recommendation 7: UNDP prioritise TA support and financial contributions to the publication of Quarterly/Half-Yearly Bulletins and policy papers not only dealing

with issues of Inclusive Growth but other critical issues affecting Lesotho's development agenda; with a view to strengthening capacity for policy coherence, policy implementation and coordination in the area of accelerating inclusive growth. This can be backed up by evidence based prioritised thematic action oriented research, analysis and presentations to the policy dialogue forum.

Recommendation 8: The UNDP CO reinvigorate Public-Private Sector Dialogue: A lesson learnt from previous UNDP supported dialogue shows high level of expectations among stakeholders, and possibility of using Forum as a game changer in accelerating inclusive private sector development in Lesotho;

Recommendation 9: Gender Equality: The UNDP must take more decisive leadership in ensuring coordination of technical inputs on gender dimensions; ensure adequate measures are in place within the UN system to handle GE, with adequate national structures established and capacitated for effectiveness. Efforts at establishment of the National Gender Technical Committee and action oriented sub-committees need to be sustained, with a more visible role of UNDP, where possible ensuring that the relevant UN agencies, for example, non-resident agencies such as the UN Women take the leadership required of their global mandates.

The UNDP management must ensure that all key interventions are adequately gender mainstreamed, and have a proper tracking and reporting system to monitor achievement of gender outcomes, including actions to report, timeously, on regional, for instance, the SADC Regional Indicative Strategic Development Programme (RISDP), continental and global commitments.

Recommendation 10: Given the defined mandate of the UNDP CO, limited financial base and lack of capacity to get involved in small micro-level initiatives, such as entrepreneurship training and other forms of assistance to community projects and or beneficiaries, UNDP needs to reposition itself to facilitate in a more focused manner, transformational processes at policy and institutional levels, linked to the implementation of national interventions for acceleration of inclusive growth. There is need to focus, more strongly on strengthening of coordination of a range of development partners, from government, private sector, CSOs and representative organisations of different groups of beneficiaries, including the most marginalized.

1. Introduction

1.1 Background

1. The UNDP Country Office (CO) has been operating under a difficult situation, because of the unpredictability of the political and security situation,. UNDP had to reposition to meet the demands of development priorities as set in the Programme Document for Lesotho 2013 - 2017. As extracted from the CPD, 2013 - 2017, the programme strategy is to support Lesotho in leveraging its development opportunities and resources to transform the economy, empower Basotho people, and build resilience. UNDP sought to achieve this by addressing three key areas that lie at the core of the development challenge - *capacities, coordination* and *collaboration* - in each of the three pillars of sustainable development: economic, social and environmental. Two themes hold prominence in the programme strategy: a leadership engagement initiative and using UNDP's convening role.

2. The UNDP Lesotho Country Programme (CP) has three focus areas; Acceleration of Inclusive Growth, Sound Environmental Management for Sustainable Development and Good Governance and Accountable Institutions and it is divided into 4 Outcome areas:

- Outcome 33. By 2017, public and private institutions promote increased investment, manufacturing, trade and financial services and create decent employment in an inclusive and sustainable manner
- Outcome 34. By 2017, Lesotho adopts environmental management practices that promote low-carbon climate resilient economy, society, sustainability managed resources and reduces vulnerability to disasters
- Outcome 35. By 2017, national and local governance structures delivery quality and accessible services to all citizens respecting protection of human rights and access to justice and peaceful resolution to conflict
- Outcome 36. National and lower level institutions make evidence-based policy decisions.

3. The Lesotho National Strategic Development Plan (NSDP, 2013-17) aims to address development challenges through increased access to global markets, trade and investment; job-led growth, powered by a dynamic private sector; strengthened governance and institutional coordination; and integrated environmental management. The UNDP Lesotho Country Programme Document (CPD) 2013 - 2017, which is fully anchored on the NSDP, is an integral part of the United Nations Development Assistance Framework (UNDAF) (2013-17) approach which enables the UN to Deliver as One family. Furthermore, the design and implementation of the CPD facilitates cross-thematic integration. One example is by linking policy and normative related issues such as access to energy, gender equity to decentralized public service delivery. The approach adopted supports effective mainstreaming and responds to the Government's request for comprehensive support toward the implementation of prioritized programmes.

1.2. Socio-economic context

4. Lesotho did not meet most of the MDGs targets, has continued high poverty levels, with over 57 percent of the population being poor, and more than 35 percent categorised as very poor (UNDP, 2015, BOS, 2015). The country is characterised by low life expectancy, has been unable to bring under control the HIV and AIDS pandemic, extremely high maternal mortality and high under-fives mortality rates.

5. A large proportion of the poor reside in rural areas and are women. Youth poverty is another phenomenon, linked to massive youth unemployment. At over 40 percent, youth unemployment rate is rising at an alarming rate and it is a threat to the country if aggressive economic and social welfare policies to combat this trend are not implemented (CBL, 2012, UNDP, 2015). A vast number of youth (15 -34) continue to enter the job market lacking the necessary skills, education and training for employment². When they find jobs, more than 70 percent of them are banished into the low remunerating informal sector and subsistence agriculture. There is a rural face to unemployment in Lesotho; {75.7 percent of the unemployed live in rural areas: UNDP, 2015}. Youth population is 35.3 percent of the population, totalling, about 700,000, with inability by the country to maximise on its demographic dividend. With a population of women approximately 51 percent and a youthful population, there is also an absence of substantial measures to reduce poverty by accelerating implementation of job-rich strategies (GoL/BOS, 2014). However, on a positive note, the textile sector has employed a large number of women, a situation which might face reversal if the preferential treatment under the United States Government supported African Growth and Opportunity Act (AGOA) comes to an end. Youth and women empowerment interventions have the capacity to maximize on Lesotho's demographic dividend by identifying 'quick wins' and identifying high potential opportunities for transforming livelihoods of the majority of the population.

6. Lesotho's public expenditure is in excess of 60 percent of its GDP, driven largely by a huge wage bill. Public spending grew from 45 percent of GDP in 2004-05 to about 59 percent in 2015/16, largely due to increase in the wage bill which is 23.1 percent of GDP, amongst the highest in the world. The level of spending is unsustainable and cannot be relied upon to drive growth. Lesotho also faces a tough fiscal outlook due to the decline in Southern Africa Customs Union (SACU) revenues from 29.2 percent of GDP in 2014/15 to 16.4 percent of GDP in 2016/17 and is expected to remain low in the medium term. Recent depreciation of the loti have increased the public debt to GDP ratio to 60 percent in 2015/16, a situation which is unsustainable. The situation described calls for new measures to accelerate growth and stimulate economic growth in an inclusive manner. There is a recognition that 'overcoming weak policy environment is key to removing barriers to economic growth', (NSDP, 2011).

7. Several development partners (DPs) have programmes that are complementary to the UNDP CP. The World Bank is in the category of such DPs. Recognizing

² The African Union (AU) definition of youth are those aged 15 - 34 years.

Lesotho's development context and building on the previous Country Partnership Framework (CPF), the new CPF (2016 - 2020) with the World Bank Group recognizes the importance of accelerating inclusive growth by focusing on two strategic areas; improving efficiency and effectiveness of the public sector and promoting private sector job creation.

'Through this framework, we will support the Government of Lesotho in its transition to a new growth model driven by private sector investment which will require a reduction in the size of the public sector and improved public sector effectiveness... We will assist the Government of Lesotho to create space for the private sector to become an engine of growth and employment, in a challenging economic environment with very high unemployment', The World Bank, Maseru, June 30, 2016).

1.2 Mid-term Evaluation Purpose

8. The evaluation is carried out as part of the UNDP programme management requirements to assess contribution towards outcome achievements, impact and the role played across different projects through a variety of partnerships. This is designed to complement evaluation of projects, which has been on-going. The outcome evaluation is envisaged to further provide evidence for accountability of programs and resources invested, guide performance improvement for partnerships, identify impediments to outcome achievements and provide lessons for the next programming cycle. In specific terms, as per the TORs, the evaluation will assist the UNDP and Implementing Partners (IPs) to determine, in an independent manner, the following:

- v. The extent to which the planned objectives, outcomes and results of the programme have been or are being achieved;
- vi. The relevance, efficiency and effectiveness of the programme in achieving its objectives, outcomes and results;
- vii. Assessing the factors that affect the outcome and its sustainability, including contributing factors and binding constraints; and
- viii. Assessing the strategy of UNDP in making contribution to the outcome, including on the use of partnerships engaged in implementation and programming arrangements.

1.2.2 Scope of the Evaluation and Objectives

9. The specific objectives of the evaluation are stated in the ToR as follows:

- i. Evaluate the progress made towards the achievement of the outcomes (including contributory factors and constraints);
- ii. Determine contributory factors and impediments and extent of the UNDP contribution to the achievement of the outcomes through associated project outputs (including analysis of both project activities and soft-assistance sub-interventions - as per ToR);
- iii. Assess the contribution UNDP has made/is making to the progress towards the achievement of the outcome; and
- iv. Assess partnership strategy in relation to the outcome.

10. There is an expectation that the results of the outcome evaluation would be used to guide future programming in terms of the following:

- i. Independent review and analysis of relevance and strategic positioning of the UNDP support to the country on each of the country program focus areas, as spelt out in the ToR;
- ii. The frameworks and strategies employed by UNDP in its support to implementation of program areas;
- iii. The progress made towards achieving program outcomes, through specific projects and advisory services;
- iv. Progress achieved under the outcome areas and lessons learnt for future UNDP support to Lesotho;
- v. Identifying strengths and weaknesses in the current interventions and sub-interventions; and
- vi. Amongst other issues stated in the ToR, identify priority areas of focus for future programming.

1.2.3. Outcome to be Evaluated

11. The outcome to be evaluated is *“By 2017, public and private institutions promote increased investment, manufacturing, trade and financial services and create decent employment in an inclusive and sustainable manner”*, GOL, NSDP, 2012. The outcome is linked to Focus Area 1: Acceleration of Inclusive Growth (Employment Generation) of the UNDP Lesotho Country Programme.

The projects that form the basis of the evaluation of strategic focus area 1 are as follows:

- i. Support to Financial Inclusion in Lesotho (2012 – 2014);
- ii. Economic Growth and Development (2012 – 2015);
- iii. Integrated Economic Development Project (2014 – 2017); and
- iv. Empowering Youth for Development (2012 – 2014).

2. Evaluation Approach and Methods

12. The evaluation approach will combine qualitative and quantitative approaches. In this mid-term evaluation, there was more reliance on qualitative methods because of the need to link the development challenge being addressed in the results chain, to the outcome areas. The theory of change also guided the evaluation on the need to be more qualitative in approach than quantitative.

2.1 Data sources³

³ Refer to annex for list of selected references.

13. The evaluation is mainly based on the secondary data, including the metadata from the project evaluations and information generated by the programme activities. The documents referred to are in different categories; those directly linked to the UNDP programme planning, monitoring, evaluation and reviews, including the work of other UN agencies; those linked to the national development context and those supported by other external DPs, including civil society organisations (CSOs), private sector and academia but complementing or linked to the UNDP effort. The documents included all material not in the public domain but available; mission and workshop reports, baseline surveys, monitoring data, country data and previous M & E reports, where they exist, review of quarterly and annual reports. All relevant documents, such as the NSDP, 2013 - 2017; all project evaluation and review reports, various publications from UNDP, other UN agencies and Government; World Bank reports on private sector development, International Finance Corporation (IFC) Doing Business rankings for Lesotho, national policy documents. A list of representatives of stakeholders interviewed has been available in the annex.

2.2 Data collection procedures and analysis

14. Data and information collection from relevant information sources through desk review, was followed up with individual and focus group interviews, with triangulation where it was necessary to do so. A series of meetings were convened with UNDP management and programme staff. Interviews of representatives of key stakeholders were from UN agencies, government ministries, representatives of the private sector, CSOs and other stakeholders as found appropriate. Where necessary, the process involved triangulation with different stakeholders, to validate the data generated. Based on the stakeholder interviews held as part of the evaluation, the analysis has been mainly done to understand the context from different perspectives, providing also a background to the interconnected nature of the assumed development process and pathways in the achievement or otherwise of the outcomes.

2.3 Performance and ethical standards

15. The evaluation sought to maintain independence and objectivity, in line with the UNDP Evaluation standards, guidelines and ethical standards, efforts would be made to make the process fully consultative.

2.4 Major limitations to the selected methodologies and/or report

16. First and foremost, there are substantial data gaps in Lesotho, with most of the indicators being not up-to-date for progress tracking. The outcome evaluation is being undertaken to assess achievement of outcomes which depend on the actions of other stakeholders, in particular, Government IPs, over which the UNDP has no control. What the Outcome Evaluation can assess, is the contribution of the UNDP to accelerating inclusive growth, and yet the outcomes are stated on the basis of key assumptions which may not have been realised to a large extent. There are other stakeholders, for example, DPs and CSOs contributing towards the same objectives and outcomes as well. In the absence of the right methodologies, it is not easy to isolate the input of each development partner or stakeholder, making the outcome evaluations of this kind complex. The theory of change conceptual framework (refer

to inception report) makes the case on the realisation or otherwise of critical assumptions as well as the risks and limitations involved.

3. Findings and Conclusions

3.1 Assessment by Evaluation Criteria

17. This sections assesses the performance of the UNDP Country Programme on the basis of the evaluation criteria set in the terms of reference. The evaluation criteria covers relevance, effectiveness, efficiency, sustainability, partnerships and gender equality, amongst other considerations.

3.1.1 Relevance of the Results/Appropriateness of Design

18. The rationale for selecting Focus Area 1 and its linkages with the other two UNDP focus areas, namely: Focus Area 2: Sound Environmental Management for Sustainable Development and Focus Area 3. Good Governance and Accountable Institution, their linkages to the UNDAF and to the NSDP (2013 - 2013) is largely sound. The focus by the UNDP on accelerating inclusive growth, amongst other priorities, is based on the NSDP and informed by an assessment of key development challenges of the country.

19. The focus area aims to support the economy to become more resilient to external shocks and volatility by generating employment in an inclusive manner. Building on policies developed, UNDP seeks to facilitate private sector development and engagement with focus to growing medium-sized, small and micro enterprises based on access to technical and vocational skills as well as targeted financial products from micro finance institutions. UNDP is building on earlier support provided in the development of policies and strategies, which cover a range of key sectors of the economy, from strengthening of monitoring and evaluation at the Ministry of Development Planning, strengthening of the national statistical capacity at the Bureau of Statistics (BOS), youth employment, industry and trade facilitation, micro small and medium enterprises development, investment promotion, development of the mining sector and other strategic areas.

20. All the programme components are sufficiently linked with the NDSP. Overall the CO programme has supported priority projects in an effort to accelerate development of an inclusive private sector in Lesotho, especially in relation to business development services (BDS) needs of micro small and medium enterprises (MSMEs), many of which are presumed to be run or managed by women and youth. Through platforms established during project implementation and thereafter, the work supported by the UNDP has contributed to heightened awareness of the need for inclusive private sector development, in particular, financial services, in the public-private fora. There is growing interest geared towards investment in the private sector through public private partnerships, involving government, the private sector and some international development cooperating partners.

21. This evaluation notes that the CP design needed to ‘unpack’ in a more substantive manner, what inclusive growth means, in view of the fact that 75 percent of the population reside in rural areas, with 60 percent of the country’s population is poor (GOL, 2015). Ideally, marginalised groups, who ought to be the main beneficiaries and target group of inclusive growth interventions are as follows:-

- 1) Substantive focus on rural people;
- 2) Focus on women (partly addressed, but not convincingly in programme design);
- 3) Focus on youth (substantial focus in programme design on youth);
- 4) Focus on people living with disability (not addressed);
- 5) People living with HIV and AIDS (livelihoods), given the extent of the problem of HIV and AIDS (addressed, with HIV and AIDS mainstreaming guidelines, but maybe more needed to be spelt out).

22. The design of some of the major interventions, for example, Support to Financial Inclusion Lesotho (SUFIL), did not correctly assess the situation on the ground in recommending specific interventions, in particular, at the micro level (UNDP, 2015). The project document assumed existence of a microfinance sector capable of improving and deepening access to financial services in the event of being strengthened through capacity development initiatives. However, the reality on the ground was that the microfinance sector was still at a nascent stage and in its development during the project inception and still is the case after the project has been terminated. As a result of the mismatch between planned interventions and reality the majority of existing players at the micro level could not qualify for support as they could not meet the SUFIL investment criteria. The design of the other projects, such as Economic Growth and Development, Integrated Economic Development and Empowering Youth for Development, was intended to meet the basic tenets for inclusive growth. Whilst these projects do meet some basic tenets for inclusive growth, there was need to elaborate in the project design, the envisaged linkages between the stated objectives, output indicators, targets and outcomes. The results matrix could have developed clearer SMART indicators to assess progress in attainment of inclusive growth, taking into account the needs of different target groups through analysis of disaggregated data.

23. The UNDP Lesotho has a well-established programme planning process, which follows the UNDAF, and with the CPD implementation period aligned with that of the NSDP (2012/13 – 2016/2017). Overall, there is a fair level of alignment between the CO programme components, the UNDAF and the NSDP, other sectoral policies and strategies. This is shown in the manner in which the CO priorities have been defined, with a clear logical link with the National Development Plan (NDP).

24. The evaluation notes that the CPD results framework has some challenges, with linkages between the actions and outcomes in the results framework. Although the actions within the context of the UNDP country programme are widely acknowledged and appreciated by key stakeholders as useful, in the absence of major changes by the state in the manner of doing business, it is inconceivable how the outcomes can be achieved, to a large extent. Three key assumptions stated in the theory of change, have largely not been met. (a) Commitment by the state to public sector reforms and in particular to inclusive private sector development; (b)

Commitment by Government to adopting results oriented and performance based approaches (results oriented national monitoring and evaluation system), and; (c) Government commits to reallocating financial and human resources to scale up proven strategies and opportunities to accelerate inclusive growth and development with a view to reducing poverty.

25. The evaluation can conclude that in some way, the objectives are not stated in a way that is SMART (specific, measurable, achievable, relevant and time-bound).

- The presumption that the objectives as stated can be achieved in a measurable way during the CPD period may not be grounded in the reality of the country.
- The indicators are also not fully spelt out, against the background of well acknowledged data gaps across all sectors in the country. Furthermore, baselines are largely non-existent for most indicators because of capacity constraints at the Bureau of Statistics (BOS); the investment and actions required at both national and sectoral level to develop and implement results based M & E systems are also not stated.
- A major sub-component supported by the UNDP during the reference period, SUFIL suffered from lack of an M & E system to track progress during the implementation phase as well as after the project ended. The establishment of an M & E system had been built into the workplans under SUFIL, but never implemented during the course of implementation for various reasons, ranging from capacity and constraints in the design of the programme and coordination challenges.
- The same constraints pertaining to M & E obtain for other sub-components such as Economic Growth and Development (2012 - 2015); Integrated Economic Development Project (2014 - 2017) and Empowering Youth for Development (EYD) (2012 - 2014). For the EYD, although a Youth Empowerment Survey was carried out, with UNDP support, with the findings published in 2014, there were challenges and delays in data analysis and eventual publication of the report. This is linked to capacity constraints at national level and the human resources engaged in coordinating the survey, amongst other organisational constraints. There are still no baselines for most development indicators pertaining to the youth and this constitutes a bottleneck in progress monitoring of outcome areas related to the youth and acceleration of inclusive growth. Measures required to address these gaps at state level are hampered by financial and human resources constraints at sector level, specifically with respect to the MGYSR as well as at the level of the Bureau of Statistics.

26. The UNDP has made substantial contribution in giving TA support to the development of a credible number of national policies and strategies in the endeavour of accelerating inclusive growth.

- UNDP project design took a macro-level, sectoral approach, with interventions at the policy, meso and micro levels. At the macro level, in the CPD reference period, 2013/17, UNDP, through provision of Technical Assistance (TA) inputs, supported the development of a number of key policies, strategies.

- Prior to the CPD period, the most notable contribution linked to inclusive growth is TA assistance in the development of the NSDP, 2012/13 – 2016/17;
- TA support to the development of the MSME Policy 2015, development of Draft National Youth Employment Action Plan (2011);
- UNDP has been *exceptional and pivotal* in developing a large number of key sectoral policies and strategies, amongst some of the latest, is the National Mining Policy, formally adopted in June 2015. Other support centred on the development of the Ministry of Trade, OBFC Strategic Plan (2014 – 2019), OBFC Communication Strategy, OBFC decentralised to one border district, National Investment Policy (2016);
- TA support to the Final Evaluation of the MDGs (2015), the formulation of the post-2015 agenda, feeding into the SDGs. UNDP provided TA support to the final MDGs evaluation, ensuring that the process was inclusive of all key stakeholders, from government, decentralised local government authorities, civil society organisations, community based organisations (CBOs), private sector and others, and that this would enable more inclusive growth.
- Prior to the CPD, 2013-17, period, UNDP has also been instrumental in enabling public-private dialogue, focusing on topical issues linked to inclusive private sector development. Indications from discussions with stakeholders and beneficiaries give a high commendation to UNDP for the effort in initiating the Public Private Partnership (PPP) dialogue as a means for valuable policy advocacy on private sector development. However, for some reasons, the PPP dialogue could not be sustained.

27. The coverage of so much policy work is relevant and appropriate in view of the policy level bottlenecks, which have resulted in limited progress in this focus area in terms of achievement of the outcome. Appropriate policy development is central to creation of an enabling environment which facilitates realisation of the objectives of accelerating inclusive growth.

Summary Rating Score by Evaluation Criteria

RELEVANCE	On-track	Partially on-track	Off-track
Select			
	XXX		
<p>Summary</p> <p>The CP builds on earlier support provided in the development of policies and strategies, which cover a range of key sectors of the economy, including DLG.</p> <p>Key components are sufficiently linked with the NDSP & national strategies;</p> <p>There is a focus on capacity development of implementing partners;</p> <p>The CP does support priority projects in an effort to accelerate development of an inclusive private sector in Lesotho, (especially in relation to business development services (BDS)</p>			

needs of micro small and medium enterprises (MSMEs), the private sector development; key institutions; trade and industry, central bank, BOS, special focus on support to financial inclusion (SUFIL), enhanced use of ICT, use of mobile firms to reach out to the 'unbanked', gender and youth, MGYSR, building capacity in ministry responsible for planning and development, MOF, partnership with DPs, UN agencies, CSOs.

3.1.2 Efficiency of implementation

28. The evaluation seeks to undertake an analysis of efficiency of implementation, economic use of all resources/inputs, funds, expertise, time, equipment. On the basis of indicative evidence that shows adherence by the CO to the existing UN financial and procurement procedures, rules and regulation, which have been largely followed, during the CPD period, it can be concluded that there has been an economic use of resources, human and financial, time and equipment. However, human resource capacity constraints within the UNDP have constrained achievement of the outputs to the extent that is desirable. This is reflected in constraints associated with follow-up of key actions with implementation partners.

29. The evaluation notes that the procurement of TA support, both for international and national expertise, as well as equipment and other inputs was done using the standard organisational procedures, which involve competitive bidding and screening processes. Management of the delivery of the inputs has also been largely efficient. It can also be concluded that the activities linked to the country programme were undertaken in a cost-efficient manner.

30. The mid-term evaluation needed to generate evidence to assess in a more conclusive manner the capacity of the UNDP country office in project management, data collection and M & E in determining efficiency. The evaluation did face challenges in data collection and M & E capacities at the CO level, linked to assessment of efficiency criterion. Furthermore, in-depth analysis of efficiency should be informed by periodic financial audit reports, which the mid-term evaluation will access.

Table 1 shows resources allocation by the four strategic pillars, for focus area 1, UNDP, CP, accelerating inclusive growth (2013 - 2016).

Table 1: Efficiency in Resource Allocation

Table 1: Resources Allocation Planned for the Four Strategic/Priority - Areas					
Pillar	2013/14		2015/16		Remarks
	USD				
	Budget	Actual Expenditure	Budget	Actual Expenditure	
Economic Growth and Development	407,258	225,183	-	-	Lower than planned budget out-turn, with actual expenditure of 55 percent, due to delayed take-off some key sub-projects
Support to Financial Inclusion (SUFIL)	228,663	200,325	-	-	Project ended in 2014 with satisfactory budget out-turn

Empowerment for Youth Development	324,166	230,736	-	-	Satisfactory budget out-turn of 71 percent of planned budget for period 2013/14
Integrated Economic Development	424,848	233,075	599,157	359,118	Fair budget outturn between 2013 - 2015 (97% in 2015), seems contradicted by low budget out-turn in 2016 (15% - to date)
Overall Budget	1,384,935	889,299	599,157	359,118	Budget decline of 57 percent to focus area, between 2013 - 2016 (To review in light of budgetary allocation focus area 2 and 3)
		(64 percent of budget)		(60 percent of budget)	The 2015/16 budget shows marked decline between 2013 - 2016, indicating possible shift of priorities or constraints resources (funds and human).

Source: UNDP, 2013 - 2016, Budget and Expenditure Calculations

31. The focus area has experienced a decline in budget allocation between 2013 and 2016, of 57 percent, presumably with resources towards other CP priorities in focus area 2 and 3. Support to some key activities such as support to development of Statistics and M & E involving the MoDP and the BOS were slower than planned, for reasons beyond the control of the project. Gender mainstreaming guidelines were developed but not validated, implying that resources allocated for the validation of the guidelines had still not been utilized.

32. Overall, although there is room for improvement, especially in fast-tracking, planned activities that have lagged behind, with possible resource re-allocation during the remaining period of the CP, overall expenditure to date is satisfactory to fair. In view of human resources, coordination skills capacity constraints and financial challenges, especially, within the key implementing partners within government, factors which explain why some of the key activities were not carried out to the level of satisfaction expected. The UNDP CO itself is also short-staffed in terms of technical expertise, and financially resource constrained. As such it is not necessarily in a position to give adequate technical back-stopping in this focus area to the extent that is required. What is needed is to take a critical look at all outstanding activities in this focus area and prioritize afresh what can be done satisfactorily during the remainder of the implementation period, in view of the available financial and human resources. The strong case for more human resources needs to be made, with an appropriate solution found to fill in the staffing gaps where these have been identified in the programme office, especially in handling a number of complex issues which require the inputs of subject matter experts.

Summary Rating Score by Evaluation Criteria

EFFICIENCY	On-track	Partially on-track	Off-track
Select		XXX	
Summary	Budget allocation to programme (financial and human) do not correspond to requirements		

to drive change the agenda as planned; 1 - 2; human resources driving the process are inadequate; technical officers are not enough for the task . There is need to think more strategically what results are required.

Budget decline of over 50 percent to focus area, between 2013 - 2016 shows shift of priorities or constraints in resource mobilisation? (from USD 1, 400,000 in 2013/14 to USD600,000 in 2015/16);

There is a mismatch between supply and demand for TA services by IP;

The implications of resources decline are severe;

There are challenges with follow up of key decisions, M & E and reviews with IPs;

There is need to enhance TA capacity of the Policy and Strategy Unit responsible, with more focus on delivery of tangible outputs and outcomes.

3.1.3 Effectiveness

33. The effectiveness of the Country Programme shows mixed outcomes at the macro, meso and micro levels. At the macro level, the CP was expected to strengthen capacities to improve the policy and regulatory environment as well as foster the leadership of MOF and MoODP and other sector ministries such as Ministries of Trade and Industry, Development Planning, Gender Youth Sports and Recreation, Small Business, Cooperatives and Marketing and Mining in coordination of relevant strategic areas. However, except in a few cases, for example, the case of the Ministry of Trade and Industry, with respect to the OBFC and the Ministry of Mining⁴, and to some extent, the MGYSR, in the case of the new National Youth Policy, many Government Ministries, Departments and Agencies are not taking the leadership expected of them as envisaged in the Project Document (PD). Hence the strengthening of MOF, MoDP and most MDAs cooperating with the UNDP in various strategic areas and in sector coordination on issues linked to inclusive growth has largely not happened.

34. Lesotho does not have an inclusive private sector development strategy, a gap in accelerating inclusive growth. Furthermore, the planned National Policy for Financial Inclusion was also not developed. Whilst many national policy and strategy documents have been developed, most of them remain as 'drafts' and are yet to be formally adopted. Examples include, the National Investment Policy, amongst other initiatives. Other planned outputs undertaken include, Tourism Feasibility Study, National Research Report on Employment, Structural Transformation and Economic Productivity, support to the Monitoring and Evaluation Department through the development of a comprehensive institutional capacity development strategy, amongst other planned outputs.

35. The Evaluation assesses that many of the expected outputs have been delivered according to expectations, demonstrating a good level of progress in the production of the deliverables. Whilst the outputs generated are substantial and commendable, the link between the outputs and the outcomes needs critical analysis (refer to

⁴ With limited resources, the Ministry of Mining is going ahead in developing an IP for the newly adopted Mining Policy. However, capacity constraints might hinder progress in development of the IP, in view of the possibility of failing to secure competent international expertise, if necessary. Most Ministries and Departments in Lesotho have been unable to take such an initiative, without substantial external financial and technical facilitation.

assessment by evaluation criteria?). The projects or intervention areas supported, from Support to Financial Inclusion in Lesotho (2012 – 2014), Economic Growth and Development (2012 – 2015) to Integrated Economic Development, (2014 – 2017), and Empowering Youth for Development (2012 – 2014) are not linked to substantial M & E frameworks, implemented to track progress on performance of indicators over time. The Irish Aid County Programme Evaluation, EU Programming Strategy, 2014-17 cites one major bottleneck for all programme areas in Lesotho. There is lack of data for planning and monitoring. Baseline data is missing in key outcome indicators, such as gender disaggregated data on inclusive private sector development, employment creation for women and youth. Recognising the need to address these issues, UNDP has been leading a joint statistics project development, in collaboration with the Bureau of Statistics. The UNDP country programme also prioritised the development of a national monitoring and evaluation system, in collaboration with the Ministry of Development Planning and the GOL. However, to date, though some successes have been recorded, substantially more effort is needed in strengthening the national statistical system and results based M & E. The need for Lesotho to take bold practical measures to improve on evidence based monitoring and reporting to assist planning and increase the effectiveness of interventions cannot be over-emphasised.

36. Evidence of what outputs have been delivered (both in terms of quantity and quality) is also available. UNDP contributed to closing gaps in the country's economic policy and regulatory environment by developing the National Investment and Mining Policies, amongst other deliverables. However, the main reasons for underperformance in the policy development processes are the lengthy and complex procedures for adoption of policies, legal and regulatory frameworks, which include parliamentary and cabinet endorsement. This hampers full adoption of the policies drafted. Oftentimes, the frequent changes in Principal Secretaries in Ministries, also implies loss of 'champions' of certain policies and legal frameworks. Once the PSs have been re-deployed, new incumbents come in with new priorities, which may exclude prioritising, lobbying and pushing for the approval of documents developed when they were not in office. As a result many of the policies, strategies and regulatory frameworks undertaken by UNDP have remained as drafts. Outside the CPD period, there is widespread evidence of drafts which have expired before they were formally adopted and implemented. Another key constraint is that the development of most policies supported by the UNDP has not been accompanied with implementation plans (IPs), a major gap in the policy development processes, which leads to stalling progress in implementation. During the MTR consultations of stakeholders, this issue was cited by a large number of ministry representatives engaged, as well by other stakeholders outside government circles.

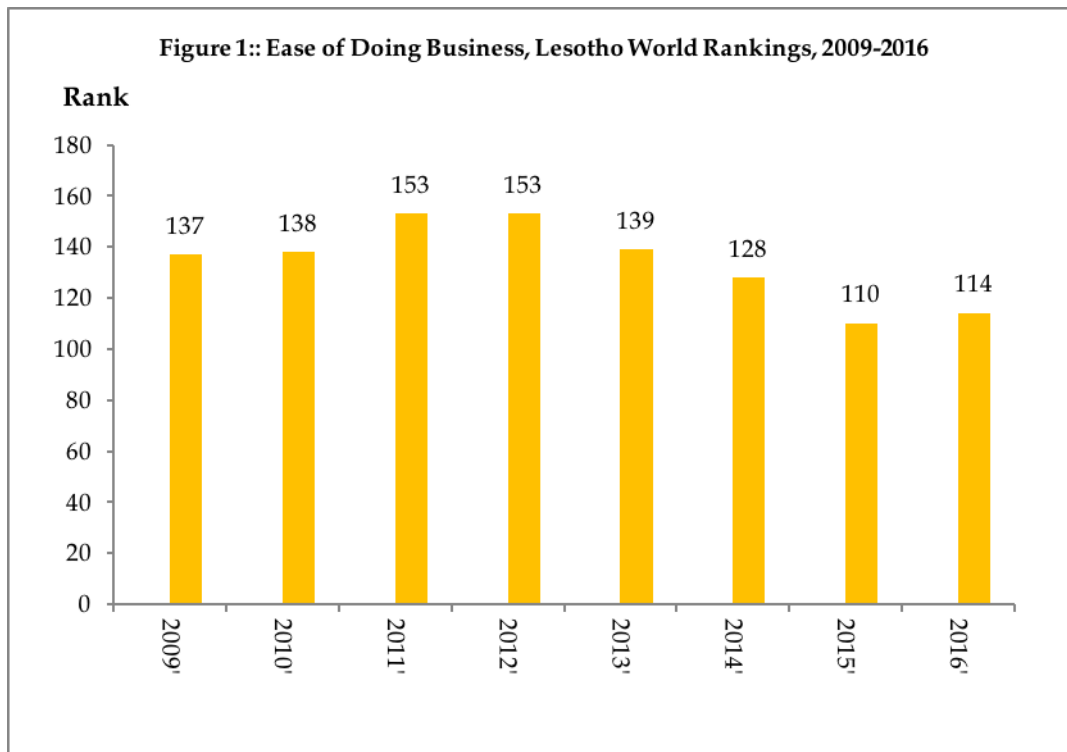
37. Evidence of increased government and private sector capacity is shown by a well- functioning One-Stop Business Facilitation Centre (OBFC), which has invested in understanding company law, and advising potential private sector beneficiaries, from small, medium to large, on how to expedite registration of their companies. Tracking progress in realising the output indicator of reducing the number of days to register a business; whilst in 2012, prospective clients took 30 days to register a business, by 2015, the new clients took only 3 days, with prospects of further improvement in doing business indicators for Lesotho. A medium term plan for Enhanced Integrated Framework (EIF) of Trade was developed, focusing on agri-

business value chains and MSMEs. However, because of capacity, personality and coordination challenges, there was stalled progress, resulting in less than desirable performance of the project and achievement of results. Meanwhile the potential for the EIF to accelerate inclusive private sector growth and development in the country by taking advantage of the EIF international facility has not yet been realized.

38. On the building of the national research capacity and empowering youth, UNDP was pivotal in providing TA support to the Government of Lesotho, to undertake national research on youth development, designed to facilitate evidence-based policy making. The Lesotho Youth Empowerment Survey Report was published in 2014. The report has been used as a baseline to build up support in specific youth issues by government and other development partners. By supporting some of the stakeholder consultations and meetings around the National Youth Policy, UNDP has contributed to the development of the new youth policy. UNDP was also co-sponsor of youth oriented political and civic engagement workshops, resulting in training of a core group of 50 trainers of trainers, who also trained other in political and civic education, resulting in 1,000 youth being trained. At micro-level, support to entrepreneurship skills training for women and youth of more than 1,000 beneficiaries, was provided, in collaboration with MGYSR.

39. The first ever National Youth Survey, the report published in 2014. UNDP also supported capacity development and training of the Bureau of Statistics and supported the first ever census of business undertakings, resulting in the publication of a business register. UNDP facilitated the production of the 2013 MDG report, the final MDG report, 2015. The support of the UNDP assisted accelerate national processes in support of the implementation of programmes supporting the MDGs.

40. A positive outcome of the engagement of UNDP and that of other cooperative development partners such as The World Bank and other DPs is a marked improvement in the global doing business rankings for Lesotho between 2013 - 2015. (Refer to figure 1). However, it must be noted that the world doing business rankings depend on the performance of other countries and as such are affected by external factors. They may also be overtaken by events prevailing in the country. For example, the recent political developments might have affected these rankings already, implying that the data may not be reflective of the current situation.



Source: IFC data, 2009 - 2016

41. UNDP contribution to accelerating inclusive growth ought to be viewed in the context of an environment which is either conducive or otherwise to the realization of the CPD outcomes. The analysis of the various development indicators point to a downward trend for many of the country's development indicators (*see Annex...*). The Government of Lesotho has established the Department of Monitoring and Evaluation, housed at the Ministry of Development Planning.⁵ The department works closely with another key department in the same Ministry, the Policy and Strategic Planning Department. Efforts have been made in the past to capacitate the government of Lesotho, through the Ministry of Development Planning to establish a national monitoring and evaluation system. The efforts culminated in the establishment of the M & E department. However, the effectiveness of the M & E department is yet to be demonstrated against the background of lack of clear mandate, coordination and management constraints as well as limited or no linkages with key power structures of government, including the Executive.

42. To enhance effectiveness, the UNDP ought to have factored substantially more this national challenge in the design of its CPD, constraints which ought to have been well known from previous engagements in other programmes.. Overall, implementation of the Country Programme is hampered by a number of contextual challenges. The Ministry of Development Planning lacks strategic muscle and high level support to inculcate and nurture the much desired accountability and results-based approach required for the public sector. No accountability mechanism has

⁵ Lessons learnt are that the Ministry of Development Planning as currently structured is not a strong enough Ministry to command all other ministries to be accountable. M & E should ideally be in the office of the Prime Minister or Ministry of Finance for it to carry weight.

been built between the MoDP and other Ministries and Departments, with the MoDP having no properly designated mandate to oversee other government Ministries on delivery of results and use of public resources. There is a dire lack of national vision and strategic direction on delivery of outcomes, overall; no organisational performance assessment, with no penalties for non-delivery or rewards for good performance in the public sector. The MoDP M & E department is staffed by technocrats, without any strategic links with other arms of the state such as the office of the Prime Minister, cabinet and parliament. The MoDP M & E department is at par with any other department in government, and has no leverage to deal with sticky performance issues in any ministry, department or agency (MDA). There is a disconnect between MoDP, the National Strategic Plan and other Ministries. There is no body with the mandate to oversee MDs on performance and results; no legal instrument to support the department of M & E to oversee other MDs⁶.

43. Across most MDAs, there is also wide acknowledgement that there is a dire lack of implementation capacity, at all levels, for policies and strategies in Lesotho. This is linked to human resources capacities within the MDAs, as well as to low budgetary allocations, with a thin spread of resources (the bulk of the budget going to meet the salaries of public servants), across very many government departments, leaving little or nothing for programme implementation.

44. The Ministry of Mining was established in 2012 by the Government of Lesotho, to tap into what are believed to be substantial mineral resources available in the country. Whilst the Mining Policy has been developed through UNDP support, it is not accompanied by an implementation plan, or substantial TA support to implement the policy; given that the Ministry of Mines is relatively new, with a small, largely inexperienced staff complement. Whilst the Ministry is moving on its own to develop the Policy Implementation Plan, there are fears amongst senior staff that, in the absence of external TA, their effort may fall short in terms of ensuring that the IP meets in full, the demands of the policy.

45. The MSME Policy, now adopted, needs a new implementation plan, clear definition of implementation framework and a monitoring and evaluation framework. There is evidence that the new Ministry of Small Business lacks the technical capacity to develop these key instruments required to accompany the MSME policy if it is to be successfully implemented in a timely manner. There are many other examples of inclusive growth related policies and strategies which have been developed but not implemented in the country.

46. Another case relates to the inability by the MGYSR to implement the UNDP supported Comprehensive National Youth Employment Action Plan (NYEAP), developed prior to the CPD period, with substantial stakeholder consultations. A new National Youth Policy is now being formulated, without reviewing what has happened to the NYEAP, which essentially acted as defacto national youth policy for the period 2011/12 – 2015/16, but apparently was never used for its 5 year period⁷.

⁶ One representative of a key organisation consulted during the Country Programme Outcome Evaluation had this to say, 'In the absence of proper baselines, and lack of credible and proper M & E systems to track progress in Lesotho, it is not clear what the interventions are responding to'. Anonymous.

⁷ This demonstrates a disconnect between policy and strategy development processes on the one hand, and implementation of the same on the other hand, a severe challenge within and across most Government Ministries

The staff changes and turnover at MGYSR at middle and senior management levels and a lack of systems largely contributed to this situation.

47. Whilst the UNDP has made efforts in supporting the government of Lesotho in accelerating inclusive growth, there is a lack of vision and strategic focus at national level. This is shown in the lack of demonstration of commitment by the key IP in terms of human and financial resource allocation, including how the support is structured. This situation does compromise delivery of the outcomes and the effectiveness of the approaches adopted in pursuit of achievement of the country programme outcomes.

The overall rating score of effectiveness evaluation criteria is summarised

EFFECTIVENESS Select	On-track	Partially on-track	Off-track
		XXX	
<p>Summary</p> <p>Certain key outputs delivered according to expectations: (Evidence of increased government and private sector capacity is shown by a well- functioning One-Stop Business Facilitation Centre (OBFC), several policy documents developed and under development; Policy development and leadership of MOF, Development Planning, and other sector ministries such as MTI, Mining, Gender Youth Sports and Recreation, Small Business, and others;</p> <p>Some work done at sector and downstream (with beneficiaries, women and youth, etc.), development of sectoral policies;</p> <p>Absence of inclusive PSD strategy. Many drafts but no formal adoption, weak implementation track record;</p> <p>Binding constraints to weak policy implementation of policies, development of Implementation Plans;</p> <p>Sustained policy dialogue with key stakeholders, government, private sector CSOs, academia;</p> <p>The effectiveness of UNDP in facilitating the coordinating of development efforts, requires more visibility, UN agencies, DPs and other stakeholders. More effort at facilitating would enhance the work of other stakeholders, with a focus on building synergies for impacts.</p>			

3.1.4 Sustainability

48. Although a large number of policies have been developed, through UNDP support, many are still in draft form and have been so for many years. The policy engagement process is cumbersome, requiring cabinet and parliamentary approval, which in principle seeks to assure ownership at the highest level. However, despite the long policy development processes, discussions with most stakeholders point to

in Lesotho. Ensuring that every National Policy and Strategy is accompanied by an Implementation Plan (IP) becomes critical.

lack of coordination between different sector ministries within government. Lack of government ownership continues to affect the work of UNDP, in virtually all focus areas, including that of inclusive growth, with a dire need for leadership and cultural change in governance and the slow pace of doing business in Lesotho.

49. Central to the sustainability of all programmes and interventions is commitment from the state to continue to finance, through national budgetary allocation, to scale up priority projects and ensure that benefits continue to accrue beyond the UNDP supported phase. Moreover, many of the interventions supported are supposed to demonstrate substantial commitment from the IPs, at all stages, from planning, design, implementation, to monitoring and evaluation. The commitment can be demonstrated by taking appropriate actions, especially during policy implementation. Such a national commitment, referred in the theory of change, is largely missing in the case of Lesotho.

50. A cross cutting challenge with UNDP supported interventions is how to move from the 'project phase' to mainstreaming the support services, within government implementing partners, in a sustainable manner within the different sectors engaged. Where efforts at mainstreaming have been made, oftentimes, the interventions have been heavily scaled down, because of human and budgetary constraints. Examples include, the establishment of the Financial Inclusion Unit (FIU) in the Ministry of Finance, which has not been capacitated through dedicated staff and budget to manage the post project phase. The MSME Policy which had a draft finalised several years ago, was only completed during the first quarter of 2016. The MSME Policy is now housed in the Ministry of Small Business, recently established, and yet to appoint a substantial number of staff to oversee the affairs of micro, small and medium enterprises. Although a draft Strategic Plan for the Ministry has been developed, it is yet to be approved and adopted. In order to implement the MSME policy, the new ministry requires technical assistance to develop Implementation Plan, establish an institutional framework and M & E tools to monitor policy implementation. Given the state of resource allocation in government, there may not be adequate resources, human and financial to sustain the momentum generated on MSME development through UNDP support. Another example, includes the MGYSR, where several of the interventions previously supported by the UNDP have been heavily scaled down. Instead of scaling up, outreach of the Youth Employment Program (YEP), supposedly mainstreamed into the MGYSR, the YEP has reduced to pre-pilot phase status because of financing constraints. With an annual budgetary allocation of M5 million for the Department of Youth, the department barely makes it to meet the staff salary bill, leaving almost nothing for programmes. However, in other Ministries, the situation is different. For example, a key component of UNDP support to accelerating inclusive growth, support to the OBFC of the Ministry of Trade and Industry has largely been sustained. The OBFC has been fully established, largely effective in improving the doing business environment for Lesotho. It has also since managed to mobilize resources from other development partners, apart from the UNDP support and government contribution.

51. What this and lessons learnt demonstrate is that the development of policies, strategies and regulatory frameworks, which does not go further to deal with

implementation arrangements, structures and M & E faces sustainability challenges in the case of Lesotho. There is recognition within UNDP that the establishment of strong M & E systems is central to performance monitoring of achievement of outcome, in the medium to long-term and for sustainability. For UNDP and other development partners in Lesotho, support to the development of robust monitoring and evaluation remains work in progress. This does not only apply to the focus area 1, Accelerating Inclusive Growth, but covers the other two focus areas stated in the CPD.

52. Whilst it is UNDP's strategic position to leave the post-policy development and policy implementation phase, for government to handle makes sense, it only applies under normal circumstances. Lesotho has peculiarities that are country specific, small state status, combined with bottlenecks in governance, leadership, capacity coordination and culture. Challenges in leadership, coordination and capacity on the part of government have compromised the sustainability of many of the interventions supported by the UNDP. There is an overall lack of a clear vision and strategic from government, which poses a constraint to the work of UNDP, with the underlying risks and assumptions pertaining to the role and responsibility of the state and other stakeholders. The constraint was exacerbated by low human resources capacity in government, high staff turnover at the level of middle management and at the level of Principal Secretary. In many Ministries, because of the unstable political situation, between 2012 and 2015, Principal Secretaries had changed three times, with other accompanying senior staff changes as well, often politically motivated.

53. The implementation of the UNDP CP is also linked to capacities within sector ministries. The implementation plans for ministries, prepared by the MoDP, policy and strategic planning department, to implement the NSDP, were reportedly done without consultation of line ministries – hence have not been accepted or 'owned' by relevant MDAs. MDAs have not been bound by the Executive or Cabinet to adopt the 'NSDP Implementation Plan'. The following key observations are made. So UNDP in cooperation with development partners must intensify and continue efforts to build the capacity of the MoDP to handle broad-based planning for national ownership.

54. There is lack of harmonization of planning, implementation, monitoring and reporting; lack of harmonisation of indicators and targets in the National Strategic Development Plan (2012/13 - 2016/17) and sectoral plans, no alignment of indicators and targets with those of the MoDP Strategic Plan. There is no logical links between the MoDP Strategic Plan (SP) and actions at sectoral level. There is also lack of coordination of actions of the stakeholders (government ministries, private sector, civil society organisations, academia), with cosmetic references to the NSDP, across the board. The determinant factor is resource allocation and the lack of mechanisms for coordinated action, a pointer to fragmentation of approaches taken by programme implementing partners.

55. There is no strategic guidance on what the ‘priorities within priorities’ are in the NSDP – in the absence of costing framework. The lack of costing of the NSDP led to lack of alignment of the NSDP pillars with the national budget. The NSDP pillars priorities not determined based on available financial resource envelope. Resource allocation is nominally linked to the NSDP, without being based on an objective evaluation criteria and evidence based analysis with an identification of high growth sectors. This poses complex sustainability challenges.

56. **MSME business development services:** The Basotho Enterprises Development Corporation (BEDCO), was enacted by Act of Parliament to support MSMEs, and take leadership in provision of business development services to micro, small and medium enterprises. However, there is fragmentation in the BDS market place, with too many players acting in isolation from each other. The Lesotho National Development Corporation (LNDC), which promotes the domestic private sector, is de-linked from BEDCO. Government Ministries such as MGYSR, Ministries of Finance, Trade and Industry, Small Business, Agriculture and others, continue to run MSME oriented programmes, without coordination to forge synergies that are central to generating impact. The fragmentation that has ensued does not favour achievement of substantial level of outputs, in the medium to long term, reducing the potential to achieve the expected outcome. UNDP has not been visible in facilitating a more coordinated mechanism of the BDS market, a focus which ought to have taken centre stage in the design of the current CPD, given the importance of ensuring a more results-based approach in support to inclusive private sector development in Lesotho. However, efforts made by the UNDP in supporting BDS provision through SUFIL are acknowledged, as a step in the right direction. The efforts now need to be scaled up, strengthening coordinated support for broad-based BDS provision, in a country with weak business developments services.

57. The UNDP CO has a partnership strategy with Civil Society Organisations, which has seen representatives of CSOs participating various fora. Participation of CSO has involved dialogue pertaining to monitoring of MDGs, discussions around the post-2015 development agenda and consultations around the SDGs. Discussions pertaining to the SDGs is on-going. Support to CSO fora on MDGs, SDGs through to local community levels, in partnership with government, was undertaken well and supportive of goals of inclusive growth;

‘UNDP helps to bring us together... within the context of a complex political landscape, enabling processes that facilitate holding government accountable’.
Anonymous.

‘Lesotho has ratified almost every international, continental and regional conventions, protocols and instruments - however the track record on domestication has been appalling’.Lesotho ratified the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW), in 1995, but has only reported once, in 2010 ever since’. *Anonymous.*

The CSOs engaged during the evaluation highlighted that the UNDP is not utilising existing partnerships, to the extent that is desirable, the potential of CSOs, choosing to remain ‘too focused on government’. However, given the challenges noted within

government structures, which this evaluation has elaborated upon in detail, government structures need to be complemented by CSOs, to a very large extent in order for delivery of the development outcomes to happen.

'The UN only sees opportunities when they come from government... The UN partnership with CSOs has weakened so much... Engagement by the UN of CSOs is not as strong as in other countries. The UN needs to improve opportunities to enable CSOs to engage with government and ensure adequate tackling of the 'Triple Threat', Lesotho (2010)', involving three strategic areas: (a) Poverty; (b) HIV and AIDS, and, (c) Weak institutions of government for national response..' Anonymous

The evaluation, however, also notes that most CSOs are staffed by fresh graduates who need mentoring and capacity building. Capacity within CSOs also needs to be strengthened, partly because of low funding base, apart of human resources challenged.

The overall rating score of sustainability evaluation criteria is summarised:

SUSTAINABILITY	On-track	Partially on-track	Off-track
Select		XXX	
<p>Summary</p> <p>Focus is on commitment from the state to continue to finance, through national budgetary allocation, to scale up priority projects, embracing national policies – government ownership in developing substantive programmes of intervention; There is need to deal and support implementation arrangements, structures, effective support to M & E, with evidence based progress tracking and reporting – taking corrective action where necessary Scaling up from the ‘project phase’ to mainstreaming the support services, within government implementing partners; Financial Inclusion Unit (FIU) in the Ministry of Finance – to date had not been well capacitated through dedicated staff and budgetary allocation, yet it has been a key component of exit strategy; Lack of harmonization of planning, implementation, monitoring and reporting; lack of harmonisation of indicators and targets in the National Strategic Development Plan; There is no strategic guidance on what the ‘priorities within priorities’, are, against the background of limited resources.</p>			

An added criteria, partnership overall rating score is summarised

PARTNERSHIP STRATEGY	On-track	Partially on-track	Off-track
Select		XXX	
<p>Summary</p>			

Conceptualisation of the design must focus on sustaining partnerships beyond 'project boundaries' and 'formal meetings'; what is required from existing and new networks/partnerships, needs clarity;
PSD and MSME development approach needs galvanised TA support, with the role of BEDCO, SMME network and others well-articulated, for better focus and coordination beyond existing projects;
Partnership strategy needs to be more inclusive of CSOs, and other stakeholders required in inclusive growth;
Scaling up support to financial inclusion beyond the previous projects – sustaining partnerships with CSOs, private sector in a dialogue which is action-oriented is priority.

Gender Equality and accelerating inclusive growth

58. On gender equality (GE), although women economic empowerment (WEE) is stated in the CPD as an area of intervention, evidence shows that there is no substantial collaboration on WEE support between MGYSR and UNDP or any other UN agency during the CPD reference period. With an annual budget of M5 million, mostly to cover staff salaries, the Department of Gender in the MGYSR operates on a severely constrained budget, and is unable to make substantial in-roads on WEE in Lesotho. There is a big financing gap for WEE projects, overall, hence limited programme outreach and effectiveness. This has implications on sustainability of GE related interventions. According to MGYSR, the ministry operates on a budget which is less than 20 percent of basic requirements to meet programme operational requirements. Many of the MGYSR projects, supported by the UNDP in the past have been heavily scaled down after the project ended. Examples include support to the Youth Employment Scheme (YES) and support to women entrepreneurship skills development. Support to WEE remains fragmented, with weak gender equality and WEE implementation structures. There is a challenge with linkages between coordination on gender equality and the UNDP country programme. There is also need to establish a WEE Enterprise Fund to address challenges of weak support to WEE, with less than desirable cooperation between different key stakeholders on priority interventions and activities related to inclusive growth and private sector development.

59. Lesotho is finalising a new National Gender Policy, with the old one having expired in 2003. Consultations with stakeholders in Lesotho show that the implementation of gender outcomes faces changes, especially in the area of economic empowerment. UN Women is not present in Lesotho, with its mandated assumed by other UN agencies, within the framework of their specific mandate. UNDP does not have a formal cooperation agreement, letter of understanding with the MGYSR. Within the confines of the Country Programme as defined, support from UNDP on gender has been based on assessment of specific needs, for example, of the Department of Gender in the MGYSR. Areas where partnerships need to be strengthened through UNDP contribution include TA support to the gender technical committee and in the establishment of the women economic empowerment forum (WEEF). The National Gender Technical Committee (NGTC), which had become passive over much of the period of the UNDP country programme, has recently been resuscitated. The effort, amongst others, is an attempt to develop and

implement a clear national vision on GE, which has been lacking for the country. UNDP is well positioned to follow through and ensure coordinated support, within its human and financial resources limits, and facilitate more effective functioning of the WEEF and the NGTC, as well as other fora to mobilize UN agencies on the need to support these initiatives.

4. Lessons Learnt

60. The complexity of binding constraints that deter the acceleration of inclusive growth requires innovative approaches, robust programme design by UNDP, to enable redeployment of the resources of government, other development partners, the private sector and CSOs within the framework of a networked approach involving a great variety of stakeholders.

61. There are some many 'pockets of actions' by stakeholders, which are not coordinated in Lesotho, demonstrating no evidence of delivery of results. The fragmentation of the national support system for supporting measures to accelerate inclusive growth calls for new innovative, more coordinated mechanism, to ensure synergy of interventions to achieve the desired outcomes. The UNDP is in a position to lead in coordination of the national support system, especially at macro and meso level, affecting downstream activities at micro level.

62. The establishment of an enabling environment for inclusive private sector development (much of which involves targeting the growth of MSMEs, the domestic private sector and measures to increase competitiveness overall is central to acceleration of inclusive growth. The UNDP support to the OBFC is centred on enabling inclusive private development, incorporating support to MSMEs, in a substantial manner, through practical measures implemented through the Ministry of Industry and Trade, a key partner IP.

63. The transformation of the political environment, inclusive and democratic governance structures are necessary to address the binding constraints to accelerating inclusive growth, reducing poverty.

64. The establishment of results-based management and results oriented performance monitoring, with penalties for non-delivery and rewards for good performance is necessary to facilitate a much needed leadership and cultural change in governance, with transparent accountability structures.

65. Substantial acceleration of inclusive growth requires an integrated planning among sectors, joint programme planning, monitoring and implementation to maximize on leveraging available resources a variety of stakeholders, for synergy and to achieve desired outcomes.

5. Conclusions

66. In the programme design, there is need to re-examine and what 'inclusivity' means, in terms of poverty reduction strategies, coverage of marginalised groups, which include rural people; where 75 percent of the population resides, the priorities

of women economic empowerment, youth empowerment, livelihoods of people living with disability, amongst other categories.

67. The implementation of the UNDP supported country programme shows that the organisation has strong capacity to undertake upstream work, that is, support to development of policies, strategies and legal frameworks. However, with an unknown and large number of national policies and strategies developed, either not implemented at all or remaining as 'drafts', this calls for reviewed and new approaches to the involvement of UNDP in upstream work, examining what the most binding constraints have been in the past.

68. Substantial accomplishment of the outcomes linked to the CPD outcome areas in accelerating inclusive growth goals and objectives tends to be elusive, due to binding constraints/challenges within the entire national support system (from macro, meso and micro), poor accountability, overall lack of results orientation, exacerbated by weak governance structures which are supposed to reinvigorate transformation – a failure of realization of the key assumptions in the development context of Lesotho.

69. The UNDP CP team needed to redefine the development challenge more clearly together with the accompanying priority actions in a more systemic manner, enabling the interventions and activities supported to be linked more logically to the outcomes. With this approach, gaps in programme design issues would be addressed, with more logical links spelt out in the theory of change. Essentially, with the underlying key assumptions re-defined, the outcomes ought to be linked, a great deal more, to the role of the state (Government), and less to the actions of the UNDP, in view of the kind of resources which UNDP has access to in relation to what the state and other stakeholders can mobilize.

70. However, the specific contribution of UNDP needs to be clearer and more focused, in view of the magnitude of the constraints addressed. With this therefore, the focus of the UNDP CO in the focus area centres largely in managing strategically identified and targeted areas of collaboration with the GoL, a prime mover and key IP in the acceleration or otherwise of inclusive growth. The value added contribution of other stakeholders, such as cooperating DPs, private sector and the CSOs also complements the UNDP efforts in the focus area and is therefore fully acknowledged.

6. Recommendations

Recommendation 1: Government/Policy: In view of the absence of a comprehensive national level inclusive private sector development strategy, a key gap in accelerating inclusive growth, the Evaluation recommends development of an inclusive PSD strategy as matter of priority. (RE-FOCUS) The strategy could be linked to the MSME policy, with a thrust to identify missing elements which are key to accelerating inclusive growth;

Recommendation 2: Government/UNDP Collaboration in defining ‘priorities of priorities’: Government consider resource allocation to prioritise the development of inclusive growth in Lesotho. UNDP ensure improved planning, prioritization of ‘priorities of priorities’, implementation of Results-Based Management Framework. On the basis of lessons learnt with the MDGs in Lesotho, anchor this on a yet to be established and what is presumed to be a more accountable M & E mechanism for the SDGs. Stronger engagement by the UNDP CO of the Office of the Prime Minister or Chief Government Secretary is foreseen.

Institutional

Recommendation 3: In view of the short-comings identified in a number of areas, the UNDP Country Office needs to consider a number of strategic areas, mainly to do, first with analysis of its in-house capacity to design and structure a well-resourced CP with higher prospects to be a game changer in the complex country’s context; secondly in strengthening the capacity of the GoL as the main IP, in managing change processes.

Recommendation 4: The latter requires a high level strategic decision to initiate and sustain dialogue with the GoL and other DPs (at the highest levels), with a view to finding a common ground to tackling the binding constraints to accelerating inclusive growth, which are at the policy and institutional levels. In this regard, the following key actions are proposed:-

Recommendation 5: The UNDP Country Office Management ensure that the future CP design ‘unpacks’ in a substantive manner, critical issues for inclusive growth. This in view of the fact that 75 percent of the population resides in rural areas, with 60 percent of the country’s population being poor (GOL, 2015). The conceptual framework on inclusive growth must have has key target groups, the following:-

- vi. Substantive focus on rural people; who are in the vast majority;
- vii. Focus on women (to be more convincingly incorporated in programme design, including in performance tracking);
- viii. Substantial focus on the youth (in view of growing importance of youth issues, at country level, regionally and globally);
- ix. Focus on people living with disability; (a major group in country’s context); and,
- x. People living with HIV and AIDS (livelihoods), given the extent of the problem of HIV and AIDS in the country;

Recommendation 6: The UNDP CO reviews its human resources capacities and funding levels, with a view to boosting capacity where gaps are identified, particularly in the area of provision of timely and quality TA support to implementing partners, at all stages, from design, strategic planning,

implementation, monitoring and evaluation, reviews and reporting. Specifically, the UNDP must consider resourcing the Strategy and Policy Unit, with additional expertise, minimum, an experienced Programme Specialist, to boost the existing human resources capacity. Consideration must also be made to phase in structured short-term TA inputs, based on identified priority areas and gaps;

Recommendation 7: The focused UNDP technical support can be deployed in areas with binding constraints with a view to fast-track implementation of policies, strategies, legal frameworks, development of actionable implementation plans can be linked to existing capacities of MDAs which the MTR notes to be weak.

Recommendation 8: UNDP operationalize High Level Forum (HLF) and other institutional mechanisms, involving the UN Resident Representative, Heads of DP Organisations and Office of the Prime Minister;

Recommendation 9: UNDP prioritise TA support and financial contributions to the publication of Quarterly/Half-Yearly Bulletins and policy papers not only dealing with issues of Inclusive Growth but other critical issues affecting Lesotho's development agenda; with a view to strengthening capacity for policy coherence, policy implementation and coordination in the area of accelerating inclusive growth. This can be backed up by evidence based prioritised thematic research, analysis and presentations to the policy dialogue forum. For example, case studies/scenario analysis of how to use a restructured and supported BEDCO (an existing government supported institution, to provide innovative business development services (BDS) to turnaround PSD in Lesotho); link to restructuring, support, redefinition of mandate of the Ministry of Small Business; Private Sector Development Department of MOF, amongst other measures;

Recommendation 10: The UNDP CO reinvigorate Public-Private Sector Dialogue: A lesson learnt from previous UNDP supported dialogue shows high level of expectations among stakeholders, and possibility of using Forum as a game changer in accelerating inclusive private sector development in Lesotho;

Recommendation 11: Gender Equality: The UNDP must take more decisive leadership in ensuring coordination of technical inputs on gender dimensions; ensure adequate measures are in place within the UN system to handle GE, with adequate national structures established and capacitated for effectiveness. Efforts at establishment of the National Gender Technical Committee and action oriented sub-committees need to be sustained, with a more visible role of UNDP, where possible ensuring that the relevant UN agencies, for example, non-resident agencies such as the UN Women take the leadership required of their global mandates. The UNDP management must ensure that all key interventions are adequately gender mainstreamed, and have a proper tracking and reporting system to monitor achievement of gender outcomes, including actions to report, timeously, on regional, for instance, the SADC Regional Indicative Strategic Development Programme (RISDP), continental and global commitments.

Recommendation 12: Given the defined mandate of the UNDP CO, limited financial base and lack of capacity to get involved in small micro-level initiatives, such as entrepreneurship training and other forms of assistance to community projects and or beneficiaries, UNDP needs to reposition itself to facilitate in a more focused manner, transformational processes at policy and institutional levels, linked to the implementation of national interventions for acceleration of inclusive growth. The key recommendation is to focus, more strongly on strengthening of coordination of a range of development partners, from government, private sector, CSOs and representative organisations of different groups of beneficiaries, including the most marginalised.

Selected References

- CBL, (2012 – 2016), Various Publications, Quarterly Economic Reviews and Economic Forecasts;
- GOL, (2012), NSDP, 2013 – 2017;
- GOL/BOS, (2014), Youth Empowerment Survey Report;
- UNCDF, (2014), Draft SUFIL Technical Review Report;
- UNDP, (2015), Final Progress Review, MDGs,
- UNDP/UNCDF, (2015), Final Evaluation of the Support to Financial Inclusion;
- UNDP, CPD, (2011), M & E and Results Framework, 2013 – 2017;
- UNDP/UNCDF, (2011), Support to Financial Inclusion in Lesotho, (2012 – 2014);
- UNDP, (2011), Economic Growth and Development (2012 – 2015);
- UNDP, (2013), Integrated Economic Development Project (2014 – 2017); and
- UNDP, (2011), Empowering Youth for Development (2012 – 2014).
- The AfDB, (2012) Country Strategy Paper, 2013 – 2017, Kingdom of Lesotho, African Development Bank.
- The World Bank, (2014) Country Strategy Review, Washington DC.