

Lesotho: Poverty Reduction Strategy Paper Progress Report

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STATUS OF THE PREPARATION OF PRSP 1

PREPARED FOR AND SUBMITTED TO

THE GOVERNMENT OF LESOTHO
AND
CO-OPERATING PARTNERS

December, 2002

BY
THE PRSP SECRETARIAT

MINISTRY OF DEVELOPMENT PLANNING

LESOTHO PRSP PREPARATION STATUS REPORT

This report outlines progress between January and December 2002. The achievements demonstrate that the Government of Lesotho has re-affirmed its commitment to a highly participatory approach and process of preparing a community-driven and country-owned national strategy to fight poverty.

A. Progress

1. GENERAL

(a) Participation

The period under review was characterized by serious planning for community and central-level consultations. The last report indicated that by January 2002 the Bureau of Statistics and the Technical Working Group (TWG) finalized the list of villages for community consultations. In fact, this was also the month during which there was also serious discussion about a central-level consultations strategy.

The eighty villages (80) that were selected on the basis of probability sampling and the eighty constituencies delimited for Lesotho's 1998 General Elections, were purposively increased to 200 (20 per district) by the Lesotho Council of Non-governmental Organizations (LCN) and the National Steering Committee (NSC) for formulation of the National Vision by consensus with the TWG. The latter stakeholders then took part in the community consultations through representation in consultative teams during April 12 through to Mid-May, 2002.

For about one month, consultative teams spent nights in the villages; gathering data during daytime and preparing village reports in the evenings. Then, for about a week, they synthesized the information into constituency and district reports, using formats already designed for these purposes by the TWG and the NSC; also covering a special Under-fives' nutritional status questionnaire designed by UNICEF and the Food and Nutrition Coordinating Office (FNCO) (office under the Prime Minister's Office), at both the data gathering and report writing stages. These reports are in use by the SWGs, the NSC, and UNICEF and FNCO. The latter two, in particular, are using the reports to prepare the nutrition chapter for the next country programme with UNICEF.

At the central level, a Participatory National Dialogue on Poverty Reduction, which included all stakeholders, was held for two days on 27th to 28th February, 2002. This dialogue, whose purpose was a situation analysis and securing of stakeholders' commitment to poverty reduction, was officially opened by the Prime Minister the Rt. Honourable Pakalitha Mosisili. Then, the Minister of Finance and of Development Planning Mr. Mohlabi Tsekoa summarized the poverty situation in Lesotho in terms of statistics that showed that well over 50% of the population lived below the poverty line, internationally defined as one dollar per day.

Eleven Sector Working Groups have been identified and are in operation, under the chairmanship of Principal Secretaries, since Mid-May: Defence; Justice, Safety and Human Rights; Health, Social Security and Welfare; Education and Cultural Affairs; Housing and Community Services; Agriculture and Rural Development; Tourism, Trade and Industry; Natural Resources and Environment; Other Public Services; Transport and Communications;

and Macroeconomic Management. Convenors of these SWGs are senior government officers and mostly members of the TWG. These SWGs are intended to ensure that policy makers in government and key civil society and private sector players are involved in the PRSP discussions and the preparation of costed plans of action.

In addition, the TWG is establishing the following Thematic/Cross Cutting Issue Groups : Youth and Children; HIV/AIDS; Gender; Employment Opportunities; Environment; Population Dynamics; Decentralization and District Development; Disability; Nutrition; Governance; Science and Technology; and Information Technology. All but the first are convened by LCN in liaison with relevant heads of departments/organizations, in order to ensure a unified/common report. This was considered appropriate because, apart from being a member of the TWG, LCN had already started work on Thematic Groups (TGs) and had secured financial and other resources (at least US\$150,000) to continue this work at least up to the final draft PRSP document.

During the month of October, in particular, there were sector and thematic group hearings, which aimed to ensure improvements in the quality of the inputs. These were held at the National Convention Centre and the Maseru Sun Cabanas Hotel, respectively. During Late October to Mid-November, all the key stakeholders met at the Mohale Lodge to prepare the Zero-zero Draft PRSP. This exercise coincided with the visit to Lesotho by Dr. Callisto Madavo, who had occasion to visit the labouring team with the Hon. Minister for natural resources and the Principal Secretary for development planning.

In Mid-November, the Hon. Speaker of the National Assembly invited the PRSP Secretariat to a half-a-day seminar on presentation of the PRSP process to the Deputy Speaker, Clerk of the National Assembly and party representatives. Meanwhile, the Plan was to produce the next draft PRSP – the Zero Draft – by the end of November 2002, and the Mohale Lodge Team had been given specific assignments on the basis of the status of their chapters at the closing of the workshop. It was at this juncture that the private sector proposed to submit a special input representing the strategies involving a larger stakeholder portfolio transcending the membership of the Lesotho Chamber of Commerce and Industry, a gesture that had been demonstrated by the Lesotho Council of NGOs, who, through their co-ordination of thematic group consultations, ensured that inputs were solicited even beyond the membership of the LCN. Indeed at the latter's Annual General Meeting in early December, participants expressed satisfaction with their unprecedented participation in a process that decided their future.

The PRSP process is also benefiting from the co-operation and collaboration of the National Vision and Public Sector Improvement and Reform Programme Secretariats, through joint regular planning and progress review meetings.

(b) Poverty Diagnosis, Targets, Indicators and Monitoring

The effort to measure poverty at the national level through the National Human Development Index (NHDI) and the Core Welfare Indicator Survey (CWIQ) dovetailed with the Household Budget Survey (HBS), is progressing well, with completion of the latter foreseen by May 2003.

It is important to note that these efforts by the Technical Working Group were triggered by, among other factors, the recommendations of the report *Towards a Poverty Monitoring System in Lesotho*, which we shall continue to implement.

It is hoped that implementing the recommendations of the sources-of-growth-and-employment study jointly undertaken with the World Bank will provide a valuable input in terms of indicators, targets and policies for employment and growth.

The Government of Lesotho and UNDP have signed a project with the title *Institutional Capacity Building for Poverty Monitoring in Lesotho* (LES/02/005) to be implemented over a period of fifteen months beginning June 2002. The components of this project are (i) Establishment of a Poverty Monitoring System (ii) Reporting on the Millennium Development Goals and other national indicators and targets within the context of the National Vision and PRSP processes (iii) Co-ordination, preparation and execution of household-based surveys within the Poverty Monitoring System; and (iv) Preparation and execution of the 2002/03 Household Budget Survey. Thus, a sound basis exists for future efforts to monitor poverty and maintain a good update of the poverty situation in Lesotho.

(c) Priority Poverty Reduction Policies

The policy matrix covered in the I-PRSP has been the subject of a Joint Ministers' Task Force and Technical Committee (JMTFTC), who, with the co-ordination by the Fiscal Analysis and Policy Unit (FAPU), have been updating both its size and implementation. More importantly, the sources-of-growth-and-employment study referred to above – which also examines distribution/re-distribution aspects of prospective growth - will suggest the policy options to be examined by the Macroeconomic Management Sector Working Group, the latest official structure whose convener is also the FAPU.

The SWG comprises : the FAPU; Budget and Debt Sections of the Ministry of Finance; the Central Bank of Lesotho; the Department of Economic Policy and Bureau of Statistics of the Ministry of Development Planning; UNDP; and the Standard Bank Group. This is a broader consultative network than the JMTFTC. The objective of this effort is to ensure that Lesotho's medium-term macro-economic strategy within which the PRSP is embedded, is, itself, an outcome of a participatory planning of the nature, size, and flow of the resource envelope to be made available for the next three years of implementing the PRSP.

Sector working groups all cover the policy environment for poverty reduction in Lesotho. So, it is hoped that when the SWG reports are completed by Mid-February 2003, the policy linkages and syntheses required will be an optimal mix, addressing short-, medium- and long-term concerns for economic growth with equitable distribution.

Perhaps as an aside, a revised Public Sector Improvement and Reform Programme Document is to be made available in February 2003 to the National Vision and PRSP formulation processes. Resultant documents spell out all the priority public policies for poverty reduction in this country, and also add the National Civic Education Network (under formation by a Task Force co-ordinated by the Independent Electoral Commission with intended outcomes of greater awareness and appreciation of democratic values and principles (I-PRSP: 2000, 23-24)).

2. EXTENT OF REVISION OF THE TIMELINE AND COMPLETION DATE FOR THE FULL PRSP

The Technical working Group has revised the deadline for completion of PRSP 1 from November 2002 to 2003. This is due to the under-estimation of the time that was needed for

planning of consultations, consultative drafting of the PRSP in practice, and pacing with the National Vision Document.

In November 2002, the PRSP Secretariat was instructed to regulate its pace so that the national visioning process could catch up. The National Vision (NV) document has been scheduled for completion in March 2003, which timing puts completion of the PRSP later. In addition, it has been agreed to merge the two processes and have them both co-ordinated by the PRSP Secretariat. It is hoped that this co-ordination will be smooth and the NV document Steering Committee not mandated to go beyond March will co-operate such that completion of the PRSP will not go beyond 2003. Indeed, according to the Government Secretary – who is in charge of both processes – the Government of Lesotho would live to regret such a delay.

3. ADDITIONAL STEPS BEING TAKEN BY AUTHORITIES TO COMPLETE THE PRSP

The Government of Lesotho has created a Poverty Fund Account, which is a basket fund for the PRSP process. For smooth operation of the Fund, Ireland Aid, DFID, UNDP, UNICEF and the Government of Lesotho have signed a Memorandum of Understanding. The MoU provides for additional resources to be secured from other sources but has guaranteed the minimum financial resources necessary for production of the Zero Draft PRSP.

Development partners such as the African Development Bank and the World Bank have been requested to assist with basic equipment and Technical Assistance required by the two secretariats (National Vision and PRSP).

The Government has also recently hired a Financial Assistant for day-to-day management of the Poverty Fund, with reporting responsibility to partners on a three-monthly basis; and the Finance Committee comprising the Ministry of Development Planning (Sectoral Programming Department and the Financial Controller), UNICEF, IRELAND AID, DFID, UNDP, has already reviewed and approved the second financial report covering the period May 2002 to September 2002.

The PRSP Secretariat – perceived to better manage resources so far made available and is more effective – has been entrusted with responsibility for the visioning process as well, together with all the resources it did not have. This means that the joint Secretariat has more resources for successful completion of both documents under the co-ordinating authority and supervision of the Government Secretary.

B. Major Constraints

It is very unlikely that the government machinery and the nation can posit a problem against finalization of the document, because the idea, spirit and goal of a poverty reduction strategy document of some sort is now deeply entrenched at all levels of the Basotho society, among the state and non-state actors alike. Getting the document through Cabinet will probably take some time, and distribution of the document to the IMF and World Bank is most unlikely to occur no later than November 2003. This present timing seems to be the best ever, for completion and processing of the full PRSP.