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# NEWSLETTER

LESOTHO JOINT SDG FUND



## ABOUT THE JOINT SDG FUND

To support the Government of Lesotho (GoL) to establish a functional and sustainable integrated planning and PFM ecosystem that contributes to the accelerated achievement of the SDGs targets and the NSDP, the Joint Programme on Economic and Financial Management Integration for the Achievement of SDGs (JP-EFMIS) was signed in October 2020 and will run until March 2023.

The UN agencies supporting the GoL are UNICEF, UNDP and IOM.

# Achievements of the Joint SDG Fund

The final Joint Programme on Economic and Financial Management Integration for the Achievement of SDGs (JP-EFMIS) Joint Programme Steering Committee meeting was held on 30th March 2023. In the meeting, the Ministry of Finance and Development Planning (MoFDP) presented an update on the Programme's background, objectives, and implementation status. This article highlights key achievements, lessons learned, and recommendations.

The JP-EFMIS was designed to help the Government of Lesotho achieve the Sustainable Development Goals (SDGs) by providing support to enhance the integration of economic and public financial management. The Programme has made remarkable contributions in several areas since its inception.

A Gender-sensitive Integrated National Financing Framework (INFF) was developed to improve the mobilization and management of development finance flows into Lesotho. The INFF is a tool established to strengthen planning processes and overcome constraints to financing sustainable development and attaining Sustainable Development Goals. Through the INFF process, a Development Finance Assessment (DFA) was conducted through a consultative process involving government institutions, the private sector, and civil society organizations. The assessment was instrumental in the determination of a strategic focus for the development of a national financing strategy.

One notable achievement of the DFA is the integration of gender into the INFF, following the UN-Women guidance note for mainstreaming gender into the INFF. This resulted in 28% of the INFF roadmap recommendations targeting women empowerment and gender equality. The Programme has enabled the Government of Lesotho to sustain financing dialogues and multi-stakeholder engagement in defining the financing for the development agenda and more especially, how the public financial ecosystem can be improved, from the DFA to the currently ongoing financing strategy process. The financing strategy will help Lesotho to mobilize public and private financing for the attainment of SDGs.

The Programme took the initiative to support the government in beginning the implementation of some of the INFF roadmap, and the SDG investor map process was initiated to bring together national development objectives and private interests, to ensure that private investors contribute to the delivery of the national development agenda and the SDGs in Lesotho. The resources that will be mobilized through the SDG investor map will supplement the much-needed development finance resources and fill the existing financing gap in the economy as identified by National Strategic Development Plan (NSDP) II.



National ownership of the map cannot be over-emphasized to ensure its efficient use and sustainability of the map. In that regard, a close collaboration has been forged with the Lesotho National Development Corporation (LNDC) as the national investment promotion agency to ensure that the Investment Opportunity areas identified within the SDG investor map form part of the national investment promotion package.

The Programme has therefore supported the country not only to establish the SDG investor map but also to set up institutional arrangements for its sustainability to ensure periodic updates of the map that will be required with the continuously evolving development landscape. Essentially, the main aim of developing the investor map is to provide investors with investment opportunity areas that are not only profitable but can also facilitate the achievement of the SDGs.

To ensure that budgeting is more efficient, accountable, and results-oriented, the MoFDP was supported in several initiatives. An assessment of the Medium-Term Expenditure Framework (MTEF) was conducted and revealed implementation challenges. Key ministerial stakeholders agreed on a roadmap to address the challenges. The current MTEF was found not to be predictable, and the Central Budget Management System (CBMS) did not permit credible budgeting for the two outer years of the medium-term budget. The Programme, therefore, provided support to MoFDP to ensure that the CBMS is adapted to the MTEF and linked to the Integrated Financial Management Information System (IFMIS). An MTEF Implementation Manual and handbooks have also been prepared to provide guidance in MTEF budgeting. The new MTEF budget will be piloted in four sectors (Health, Education, Social Protection and Gender), starting with the 2024/25 Budget.

The MTEF is implemented through Programme-Based Budgeting (PBB). PBB Guidelines were developed through the Program, but they need to be improved to address the specific shortcomings in Lesotho's PBB. Furthermore, following the merger of Government Ministries, the definition of a programme has been changed from ministerial functions to the major function of the government. This will ensure the implementation of the NSDP priorities. Consequently, ministries will be required to align their functions to the priorities. Since NSDP is linked to SDGs, these changes will ease reporting on SDGs.

National Stakeholders have been capacitated on the key concepts for SDGs implementation in Lesotho. The capacity building covered the general overview of the SDGs framework, including the role of key stakeholders (Government, civil society, media, and academia) in the implementation of SDGs, and the role of the private sector in SDG financing. The training has also enabled review of the national SDGs coordination mechanism to enhance coordination, monitoring, and reporting on the SDGs achievement in Lesotho. The MoFDP was also supported to initiate training to capacitate building on SDG-aligned Planning and Budgeting to facilitate alignment of the national and sectoral planning and budgeting processes to the SDGs.

Lesotho has been assessed three times by the International Budget Partnership (IBP) through the Open Budget Survey (OBS). The assessment covers participation, transparency, and oversight, and the results of the first assessment revealed weaknesses in the budgeting process. As part of capacity building under the Programme, a Public Participation Guidebook has been developed, which sets out principles that should be adopted to ensure the participation of diverse stakeholders in the national budget process.





The Programme has enabled the country to enhance its partnership frameworks by working in collaboration with the MoFDP to develop the Lesotho Partnership Policy (LPP) and Civil Society Organizations (CSOs) Policy. These policies are a blueprint for how the country is going to improve its cooperation with its development partners, including non-state actors, towards financing and implementing national priorities and the SDGs. By addressing the challenges of aid effectiveness and fragmentation of development efforts, the policies will ensure a more effective and streamlined approach towards achieving the SDGs. The CSOs policy development process was inclusive and drew insights from engagement with national stakeholders hosted in four districts of Lesotho, namely Thaba-Tseka, Leribe, Mhale's Hoek, and Maseru.

The Programme supported the Government of Lesotho in developing policies and strategies to leverage remittances and diaspora financing for the attainment of SDGs and NSDP II acceleration. The assessment identified challenges experienced by Basotho migrants and diaspora communities when remitting money to Lesotho and potential obstacles to diaspora investment. The findings and information obtained during the assessment are being used to develop a remittances strategy that will strengthen remittance transfer mechanisms and bolster financial inclusion.

As we reflect on the implementation of the Programme, several recommendations and lessons learnt emerge. The involvement of partners should have been secured early in programme preparation to enable mobilization of additional SDG financing. Closer coordination is required between Participating UN Organizations (PUNOs) to ensure harmony in the implementation of programme activities and to avoid duplication of effort. Future programmes should focus on fewer and more targeted activities that take into consideration the implementation capacity of all partners.

Lesotho's efforts towards achieving the SDGs and accelerating national development are progressing well with the development of policies, strategies, and assessments that involve all stakeholders in the policymaking process. The involvement of the private sector and diaspora communities will enhance the financing and implementation of national priorities and the SDGs. As we move forward, it is essential to learn from the recommendations and lessons learnt to ensure that future programmes are more effective and efficient in achieving their objectives. Most importantly, it will be necessary for the government to maintain the momentum of reforms initiated under the JP to ensure progress towards the attainment of SDGs by 2030.



# ACHIEVEMENT OF SDGS

## Impact



Create inclusive economic growth and jobs



Improve human capital and development



Achieve SDGs targets and NSDP II objectives



Have a more transparent government

## Programme Outcomes



A clear policy framework for implementing and financing the national development agenda



Adequate capacity in government to effectively manage, use and allocate public resources



Robust presence of domestic and international private sector and partners, and a more vigilant civil society

## Joint Programme on Economic and Financial Management Integration for the Achievement of SDGs (JP-EFMIS)

## Programme Intervention



Promoting private-public partnerships and collaborations in context of the national development agenda and SDGs



Development of integrated financial and planning systems for implementation of development agenda



Strengthening public financial management processes to ensure budget effectiveness and efficiency