

Universal Child Benefit Case Studies: The Experience of Lesotho

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Summary

Lesotho is a small landlocked country with a population of about 2 million people, of which 38 per cent are children aged under 18 years. An estimated 57.1 per cent of the population live below the national poverty line and 34 per cent (more than 1 in 3) below the food poverty line. Children in particular are victims of poverty and inequality: about 65 per cent of all children (aged 0-17 years) in Lesotho are simultaneously deprived in three or more dimensions (out of nine) of child wellbeing; HIV/AIDS affects 74 per cent of children aged 0-23 months and 63 per cent of aged 24-59 months; and it is estimated that there are over 210,712 orphaned children, of which an estimated 130,000 have lost their parents due to HIV/AIDS.

In response to these challenges, the government introduced a Child Grant Programme (CGP) in 2009 in three councils covering about 2,700 children in 1,000 families. The social protection strategy 2014/15-2018/19 has formed the framework for the CGP in the country. Currently, the programme covers about 108,883 children in 38,738 households. The government is committed to progressively include all eligible households in the programme with its own resources. An impact evaluation of the programme conducted in 2013 found that the programme is effective in reducing some of the child deprivation and poverty that families face. The evaluation findings have contributed to expanding the programme as they have demonstrated its effectiveness. It has also created momentum to integrate social assistance programmes, linking the CGP with livelihoods creation, strengthening coordination among programmes, the decentralisation of national information system for social protection and the updating of data in the system using community-based institutions. As key lessons derived from the CGP experience is that evidence-based advocacy, political commitment, availability of efficient

administrative tools and partnership are the keys to expand and sustain a programme. While the programme is some considerable way off from being a Universal Child benefit (UCB) or even a quasi-UCB, the programme has huge potential to increase coverage country-wide, enhance the cost-effectiveness of disbursement modalities, strengthen coordination mechanism, strengthen the capacity of Village Assistance Committees (VACs) to provide support to the processes of targeting, community validation, case management, etc., and case management.

Background

Lesotho is a small landlocked country with a population of about 2 million, of which 38 per cent are children under 18 years (Government of Lesotho, 2016). Lesotho's economy is small, with a GDP of roughly US\$ 3.2 billion in 2017/18. Lesotho's economy has experienced moderate economic growth, with average economic growth of 2.6 per cent over the last five years (Government of Lesotho, & UNICEF 2017). The country is characterised by political instability. Between 2012-2017, two successive coalition governments collapsed, and three national elections were required (UN, 2017).

Poverty, inequality, HIV/AIDS, unemployment and food insecurity remain key structural challenges. An estimated 57.1 per cent of the population live below the national poverty line, and 34 per cent (more than 1 in 3 persons) below the food poverty-line¹ (UN 2017). Lesotho is ranked as one of the most ten unequal countries in the world with a Gini coefficient value of 0.54. About 25 per cent adult men and women between the ages of 15 to 49 years are living with HIV/AIDS. An estimated at 32.8 per cent (39.7 per cent female; 26.2 per cent male and youth at 32.3 per cent) are unemployed in Lesotho (*ibid*).

1. The national poverty line is US\$1.50 a day, and the food poverty-line (extreme poverty) is Maloti 138 (\$10.30) per adult per month.

Children are the victims of rampant poverty and inequality. According to the Lesotho child poverty report of 2018, about 65 per cent of all children (aged 0-17 years) in Lesotho are simultaneously deprived in 3 or more dimensions out of 9 fundamental dimensions of child wellbeing.² HIV/AIDS affects 74 per cent of children aged 0-23 months and 63 per cent of aged 24-59 months. It is estimated that there are over 210,712 orphaned children, of which an estimated 130,000 have lost their parents due to HIV/AIDS (Government of Lesotho, 2016).

In response to these challenges, the Government of Lesotho indicated its commitment to the National Strategic Development Plan to promote social protection. The country was spending about 9 per cent of GDP on social protection programmes. However, 93 per cent of the resources were taken up by the three programmes: the Old Age Pension, School Feeding and Tertiary Bursary Scheme for tertiary education (World Bank 2011 cited in FAO UNICEF 2016). Previously, there were no dedicated programmes for vulnerable children. However, UNICEF, with the support of the European Union, supported the Government of Lesotho to introduce the CGP to the social protection landscape in 2009 to address child poverty and vulnerabilities. It is now one of the six key lifecycle-based social protection programmes³ of the National Social Protection Strategy. In a relatively short period, the CGP went from a small-scale donor-led pilot to a national programme with the full ownership of the Government of Lesotho. In 2009 the programme was initiated in six community councils; it was subsequently expanded to 11 community councils, reaching 4,523 households with over 13,705 OVC beneficiaries in 2010 (UNICEF n.d). Currently, (September 2018), the CGP expanded to 58 out of 64 councils, reaching 38,738 households with 108,883 beneficiaries (MoSD, 2018).

Grant Description

The Government is committed to progressively include all eligible households in the programme with its own national resources. The targeting of households is done using a mixed method of PMT and Community-based categorisation (CBC). The grant is paid to the family or the designated caregiver. The grant amount varies according to the number of children in families. Families with 1 to

2 children receive M360 per quarter; families with 3 to 4 children M600 and families with five or more children M750. Three modalities of payment - security agency, bank and mobile phone - are used to deliver the cash. An impact evaluation of the programme conducted in 2013 found that the programme is effective in reducing some of the child deprivation and poverty of families. The evaluation findings have contributed to expanding the programme. It has also created momentum for integrating social assistance programmes, linking the CGP with livelihoods development, strengthening coordination, decentralisation of national information system for social protection and updating of data in the system using community-based institutions. From this experience, it became clear that evidence-based advocacy, political commitment, the availability of efficient administrative tools and partnership are the keys to expand and sustain the programme. The programme has huge potential to increase coverage country-wide, enhance the cost-effectiveness of disbursement modalities, strengthen coordination mechanism, strengthen the capacity of Village Assistance Committees (VACs) to provide support to the processes of targeting, community validation, case management, etc., and case management.

Summary of Child Grant Programme

Law: None.

Coverage: Eligible needy children that are citizens of Lesotho.

Number of Children covered: 108,883 children in 38,738 households (approximately 25% of all eligible children).

Financing: Tax financed.

Cost: M81,797,220; 0.23 per cent of GDP (FY 2018-19).

Qualifying conditions (means-tested): Paid for children aged 0-17 years who meet the means-test requirements of a PMT and CBC.

Benefit description: M360 is paid every quarter for households with up to two children; M600 for three or four children; and M750 with five children or more. The cash benefit is paid via a security agency, bank or mobile phones.

Administrative Organisation: Ministry of Social Development.

2. Dimensions include Nutrition, health, protection, education, HIV/AIDS, Water, Sanitation, housing and Information and Communication Technology.
3. Six core programmes include the Infant Grant, Child Grant, Seasonal Employment Guarantee, Old Age Pension, Disability Grant, and Public Assistance.

The Government of Lesotho instituted the National Strategic Development Plan (2012-2017). Following the plan, the government prepared the National Policy on Social Development (2014/2015–2024/2025) and then the National Social Protection Strategy 2014/15-2018/19 (Government of Lesotho, 2015). The strategy included the six-core lifecycle-based programmes, which includes the CGP. The strategy has formed the framework for the CGP in the country. The key objective of the CGP is to improve the living standards of vulnerable children, reduce malnutrition, improve health status, and increase school enrolment.

In targeting the beneficiary households, the National Information System for Social Assistance (NISSA) database is used. The registration in NISSA follows several steps of data collection, household selection, verification and validation of eligible households. The first step includes community mobilisation and sensitisation. In the second step, all households are listed, and a full survey of all households are conducted using tablets that are synchronised with the NISSA database. In the third step, all households in a community are categorised into four categories (i.e. well off, moderate, poor and very poor) through a CBC; in step four, PMT is run to the surveyed database to confirm the CBC status of the poor and vulnerable; in step five, validation of the PMT results are carried out; and in step six, enrolment of the poor and vulnerable households which qualify for CGP is completed. To be eligible for CGP, a household should be classified as poor and very poor; and shall have at least one child of age 0-17 years.

The CGP uses a robust payment system, using three different payment modalities. The programme uses a complete case management system, which allows beneficiaries to file complaints, appeals, claims about payments, and update their information. Cases are handled using the MIS, and any updates feedback into NISSA. Each of GCP's process uses the Management Information System (MIS), which then assists with data collection, targeting, enrolment, payments, and case management. Households are removed from the CGP in any of the following three situations: (1) if a family fails to collect three or more consecutive payments; (2) if a family moves away from the CGP implementation area; and (3) if a family does not provide a birth certificate of at least one child within 6 months after enrolment. The third scenario is a soft condition. However, it is not being implemented due to challenges with the civil registration system.

Monitoring the implementation of the Child Grant Programme

Currently, the programme covers 38,738 households (108,883 children; about 25% of all eligible children⁴) in 58 councils of the ten districts in the country. In the 2018/19 fiscal year, the government allocated M81,797,220 to CGP programme, which is 0.23 per cent of GDP to finance the cost of the benefit. The government is progressively increasing the coverage of the programme and the CGP budget is fully financed by the government. The Ministry currently uses three disbursement modalities that include, (1) security company (G4S) which uses armed convoys to physically disburse cash to beneficiaries and is the most widely used method; (2) Bank (Standard Lesotho Bank) which disburses grants to beneficiaries over the counter; and (3) cell phone companies (Vodacom and EcoNet) which disburse grants via mobile money accounts. The grant is paid to the parents or the designated caregivers. The amount of grant varies by the number of children in families. There are no behavioural conditions, such as health or school-related ones, attached to the CGP. In order to ensure the quality of the programme and accountability between service providers and beneficiaries, the programme's performance is monitored at executive and technical levels. Spot checks are conducted to make sure that there is no inefficiency in the process, and there are designated officials to manage specific cases to address any type of grievances.

Impact evaluations of the Child Grant Programme

The government of Lesotho conducted an impact evaluation of the CGP in 2013 to assess its impacts on the wellbeing of beneficiary children and households (Government of Lesotho, 2014). The impact evaluation was based on a randomised control trial design. A local economy-wide impact evaluation (LEWIE) model, combining household survey data simulated the impacts on the local economy. Researchers collected information on beneficiaries' perceptions of the programme's impact on household decision making, community dynamics and social networks. The evaluation revealed that the poverty

4. Estimated based on the rate of child poverty (65% of which 8% living in wealthy families) and the current coverage of the programme.

gap in the CGP recipient families reduced by 7 percentage points. The CGP contributed to an increase in the level of expenditure on schooling and clothing for children. The programme has a remarkable impact on the improvement of food security; it has contributed to increasing the level of acceptable food consumption among beneficiary families significantly. Birth registration among the beneficiary families was increased by 37 percentage points, and morbidity was reduced by 15 percentage points. The evaluation also noticed a positive impact on enrolment and retention of children in CGP beneficiary households. The evaluation found that household involvement in farming activities has increased significantly over the implementation period and more significantly between programme beneficiaries and non-beneficiaries. The CGP had a significant impact on strengthening social capital (i.e. sharing of food among community members). The evaluation also noted that beneficiary households are more resilient to shocks as they were less prone to engage in asset-depleting risk coping strategies. The study suggests that CGP beneficiaries were better equipped to deal with unanticipated shocks and less likely to engage in disruptive or resource-depleting coping strategies.

Current Developments

In order that the CGP is implemented efficiently and effectively, it had a positive impact on other policy areas as it brought momentum to the integration of social assistance programmes, linking of CGP with livelihoods, strengthening coordination, decentralisation of national information system for social protection and updating of data in the system using community-based institutions.

In a quest to increase the relevance, efficiency and effectiveness of social protection programmes, the Ministry of Social Development (MoSD) with technical support from UNICEF and financial support from the EU introduced the Integrated Social Safety Net (ISSN) pilot. Incorporating three core social protection programmes of the country – Public Assistance, Orphans and Vulnerable Children Bursary and the CGP – the ISSN offers a coordinated, multi-sector approach to address various vulnerabilities throughout the life cycle of individuals. In doing so, it provides opportunities for heightened synergy and increased efficiency, in turn reducing management redundancies and providing a more holistic approach in supporting vulnerable households. The ISSN relies on the National Information System for Social Assistance

(NISSA) – a computer-based system hosting information on households eligible for MoSD social assistance programmes – for targeting. Currently, the NISSA includes beneficiary data of three out of the four programmes, with the old age pensioners not yet included in the NISSA. Currently, the MoSD with support of UNICEF and EU are expanding implementation of this integration agenda as a means of achieving the efficiency that can result in creating space for more allocation of resources for programmes like the CGP.

Following one of the recommendations of the CGP impact evaluation to link the CGP to livelihoods or promoting a Cash Plus programme that enables households to exit the programme smoothly, UNICEF supported the MoSD to develop a community development model and detailed plan with clear packages of support that is likened to consumption support. Alongside the development of the above-mentioned plan, UNICEF also supported the implementation of a pilot project that was demonstrating how Cash Plus can be done. The government is now going to implement the plan with the support from the World Bank. The government is committed to including all eligible families in the CGP progressively to address the vulnerabilities of children and their families. The current focus of the MoSD is on strengthening coordination, decentralisation of national information system for social protection; updating of data in the system using community-based institutions.

Lessons learned

Evidence-led advocacy is key to securing Government ownership of a policy or programme. The CGP was initiated in Lesotho in 2009 as a pilot. The impact of the programme was evaluated subsequently in 2011 and 2013. The evaluation revealed that it contributes to reducing child poverty, food insecurity and overall poverty. With the findings of the evaluation, UNICEF in conjunction with the EU advocated for adding the programme to Lesotho's social protection system. The policymakers acknowledged this contribution, and took on full responsibility for the programme. Thus, in a short period, the CGP went from a small-scale donor led pilot to a national programme.

Political commitment is crucial for scaling up of a programme and ensuring its sustainability. Starting in six councils with 2,700 children in 1,000 families in 2009, the programme reached to 65,000 children in 25,000

families by 2014, and subsequently 108,883 children in 38,738 families by 2018. The government intends to cover all eligible children progressively from its own resources.

An efficient administrative tool for targeting and registration of poor persons motivates the government and donors to invest more in social assistance programmes. Inclusion and exclusion errors are the greatest challenges in the management of social protection programmes. In order to enhance efficiency in the management of social assistance programmes, the MoSD has established a national information system for social assistance. NISSA is a nationwide single integrated web-based database in which socio-economic information on all households is stored to identify the vulnerable population, and target beneficiaries eligible for different social protection programmes. The CGP uses the system to reduce inclusion and exclusion errors in targeting, increase harmonisation among programmes and enhance coordination among different ministries and partners. The tool was also used during the emergency to target beneficiaries. Its efficiency has drawn the attention of Government Ministries and partners to be used.

In a resource-constrained setting, partnerships are key to strengthen a social protection system. Before 2012, Lesotho's social protection system was weak. Understanding the urgency of strengthening the system, the EU, UNICEF, World Bank, WFP and other partners supported the government to prepare social protection strategy, establish the MoSD, streamline programmes to address age-specific vulnerabilities, improve targeting tools and MIS, and strengthen coordination mechanism. The country now has all the components of a social protection system with spaces to improve further and embark on coverage extension.

The key areas that need to be strengthened include, (1) vertical and horizontal expansion of the programme; (2) enhancing cost-effectiveness in the targeting and disbursement mechanism; and (3) functionalisation of the established coordination mechanism; (4) enhancing knowledge of non-beneficiaries on CGP entitlement rights; (5) Use of NISSA for social assistance targeting; (6) strengthen the capacity of Village Assistance Committees (VACs) set up to provide support to the processes of targeting, community validation and case management, centralised management information system for CGP; and (7) strengthen the management of cases linked to CGP.

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This country profile was written by Shafiqul Islam of the UNICEF Lesotho country office and Ian Orton of UNICEF's social protection team in New York. It builds on presentations and discussions at the International Conference on Universal Child Benefits in February 2019 hosted by UNICEF, ILO and ODI and is an output of a larger project on universal child benefits lead by UNICEF and ODI.

The full UNICEF-ODI Report on universal child benefits, this and other country profiles, conference materials and other links can be found on socialprotection.org at <https://www.unicef.org/social-policy/universal-child-benefits>.

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