

Policy Watch

Issue 2



**NSPS II: Towards Building a Comprehensive
Social Protection System**

Highlights

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- The National Social Protection Strategy (NSPS) II was developed to further support vulnerable Basotho population. It was approved in Cabinet in 2022, covering the period between 2021 and 2031.
- It builds on the achievements and lessons learnt from the NSPS I and contributes to the National Strategy Development Plan II.
- The NSPS II focuses on building a comprehensive and harmonised social protection system in Lesotho and expands on the life-cycle approach first adopted in the NSPS I.
- It further adopts a multi-sectoral social protection plus approach by strengthening the protective measures and including preventive, promotive, transformative, and shock-responsive measures.




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Almost half of the Basotho population lives in monetary poverty (49.7 per cent),ⁱ and nearly one-quarter (24.1 per cent) is impoverished, living below the food poverty line.ⁱⁱ A strong rural and urban divide marks poverty, wherein more than 60 per cent of the poor live in rural areas.ⁱⁱⁱ Health and education are less accessible for poor households living in rural areas.^{iv} Unemployment is high, especially among rural youth,^v and almost a quarter of the population has HIV/AIDS.^{vi} Lesotho is highly vulnerable to climate as much as health and economic shocks. Some shocks the country has to cope with include droughts, food price volatility, and health and economic crises such as the HIV pandemic and the most recent COVID-19 pandemic. Households' ability to cope with shocks is affected by their financial resilience, poverty status, access to financial services and resources, and their demographic and socio-economic characteristics as much as their health status.

To address these prevailing challenges, the Government of Lesotho developed its first National Social Protection Strategy (NSPS) I in 2015.^{vii} The NSPS I proposed a life cycle approach as the key strategy for coordinating social protection programmes across the life cycle. The life cycle approach supports Basotho citizens through various risks and vulnerabilities they face throughout their life stages. It focuses on current destitution and addresses the underlying causes of poverty. The social protection programmes outlined in the strategy were structured around four vital life-cycle stages: pregnancy and early childhood; school and youth; working age; and old age. The strategy focused on two risk and vulnerability factors that may impact citizens at any of these life stages, namely disability and chronic illness; and shock.^{viii}



Figure 1 Life Cycle Approach (National Social Protection Strategy I - 2015 - 2019)



The NSPS I was meant to guide government's and development partners' social protection programme design and delivery from 2015-19. It focused on setting up protective measures through core social assistance programmes that provide relief for poor and vulnerable households. It also sought to create synergies between social protection and other sectors; however, poor coordination between ministries continued to prevail and prevented a more coordinated and harmonised approach to social protection. The integration and convergence proposed by the strategy were also meant to have an effect on systems that have improved due to enhanced harmonisation between social assistance programmes and the National Information System for Social Assistance (NISSA) expansion as a poverty-targeting tool. Nevertheless, integration and harmonisation are still marked by significant gaps, the NISSA remains under-capacitated, social assistance programmes are over-reliant on cash in transit, and not all implementation mechanisms are fully automated and digitised.^{ix}

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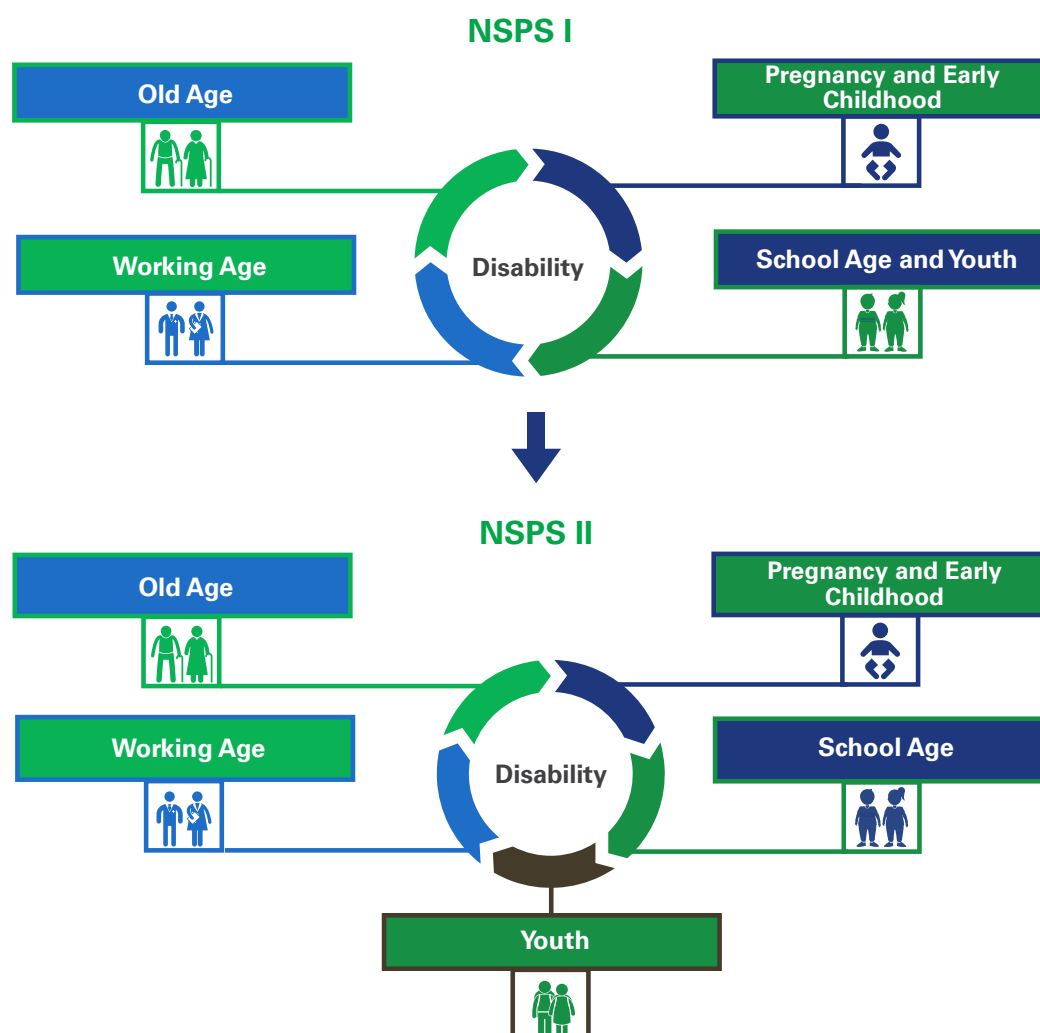
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Building on the achievements and lessons learnt from the first NSPS, the Government of Lesotho has developed its second strategy, the NSPS II, covering the period from 2021 to 2031, with the support of UNICEF and the European Union. The Cabinet approved the strategy in August 2022. The new strategy strongly focuses on building a comprehensive and harmonised social protection system for Lesotho. Specifically, it has the objectives to (1) expand core protective social protection programmes that provide relief from deprivation for poor and vulnerable households across all life cycles; (2) strengthen the preventive, promotive, transformative, and shock-responsive capabilities of social protection, and; (3) innovate and harmonise implementation systems for efficient, effective and accountable delivery of social protection programmes. The NSPS II is accompanied by an action plan and M&E framework centred around a more comprehensive approach to social protection to achieve these objectives.

The NSPS II continues to embrace the life cycle approach, which recognises that all citizens are exposed to different vulnerabilities throughout their lives and that social protection must be responsive to them. The new strategy separates school-age children and youths into different life stages, with the renewed understanding that they face distinct challenges.

Figure 2 Changes in life cycle approach in NSPS I and NSPS II





The strategy has further adopted the social protection plus approach by expanding protective measures and including preventive, promotive, transformative, and shock-responsive measures. The approach provides a framework that explores synergies across sectors and sets priorities, thus avoiding a compartmentalised view of how to achieve progress without taking the holistic picture into account. This strategic direction aligns with the National Strategic Development Plan II.^x For each of the five life stages and two overarching risks in the life cycle, the implementation plan presents the planned social protection programmes and shock-responsive measures that could set up a comprehensive social protection plus approach, in particular by

- promoting **child-sensitive** social protection by expanding the Child Grant and increasing its benefit amount, enhancing complimentary protective and promotive measures focused on improving access to health, nutrition, and education for pregnant women, infants, and children, and highlighting improved child protection services.
- strengthening the **preventive capacity** of social protection by introducing social security benefits for private sector workers, in line with the draft Lesotho National Social Security Policy (LNSSP), in the formal and informal sectors, strengthening informal social security mechanisms across the life cycle and conducting a feasibility study in a national health insurance scheme.
- improving the **promotive capabilities** of social protection by creating capabilities and livelihoods for ultra-poor and poor households, including those who receive and do not receive social assistance, with a focus on youths. Critical interventions include pro-poor and nutrition-sensitive education and bursary programmes, an expanded and strengthened inter-ministerial Community Development model that promotes livelihoods, market access, and market development, and piloting a pro-poor and gender-sensitive Seasonal Employment Guarantee Scheme linked to skill-building.
- strengthening the **transformative power** of social protection by making social protection more inclusive and gender-sensitive: inclusive by launching the pro-poor Disability Grant and improving access to healthcare, education, skill-building, and employment opportunities for people with disabilities and chronic illness who can work; gender-sensitive by proposing programmes that prevent and respond to domestic and gender-based violence, as well as by introducing more gender-sensitive work sectors and a minimum quota for women to participate in the Seasonal Employment Guarantee Scheme pilot.
- improving **shock-responsive** social protection by reforming Public Assistance into a pro-poor shock-responsive programme to vertically or horizontally scale up social assistance programmes in response to the shock, complemented by an enhanced focus on linking disaster risk reduction and social protection.

The Government of Lesotho has set up these strategic choices to address the prevailing poverty as there is increasing evidence that social protection not only reduces poverty among direct beneficiaries and their households but also improves wealth distribution, underpins economic growth within local communities, and saves national fiscal resources. This makes the NSPS II an attractive policy instrument that weaves different programmes and interventions into a more comprehensive system that tackles poverty and vulnerability.

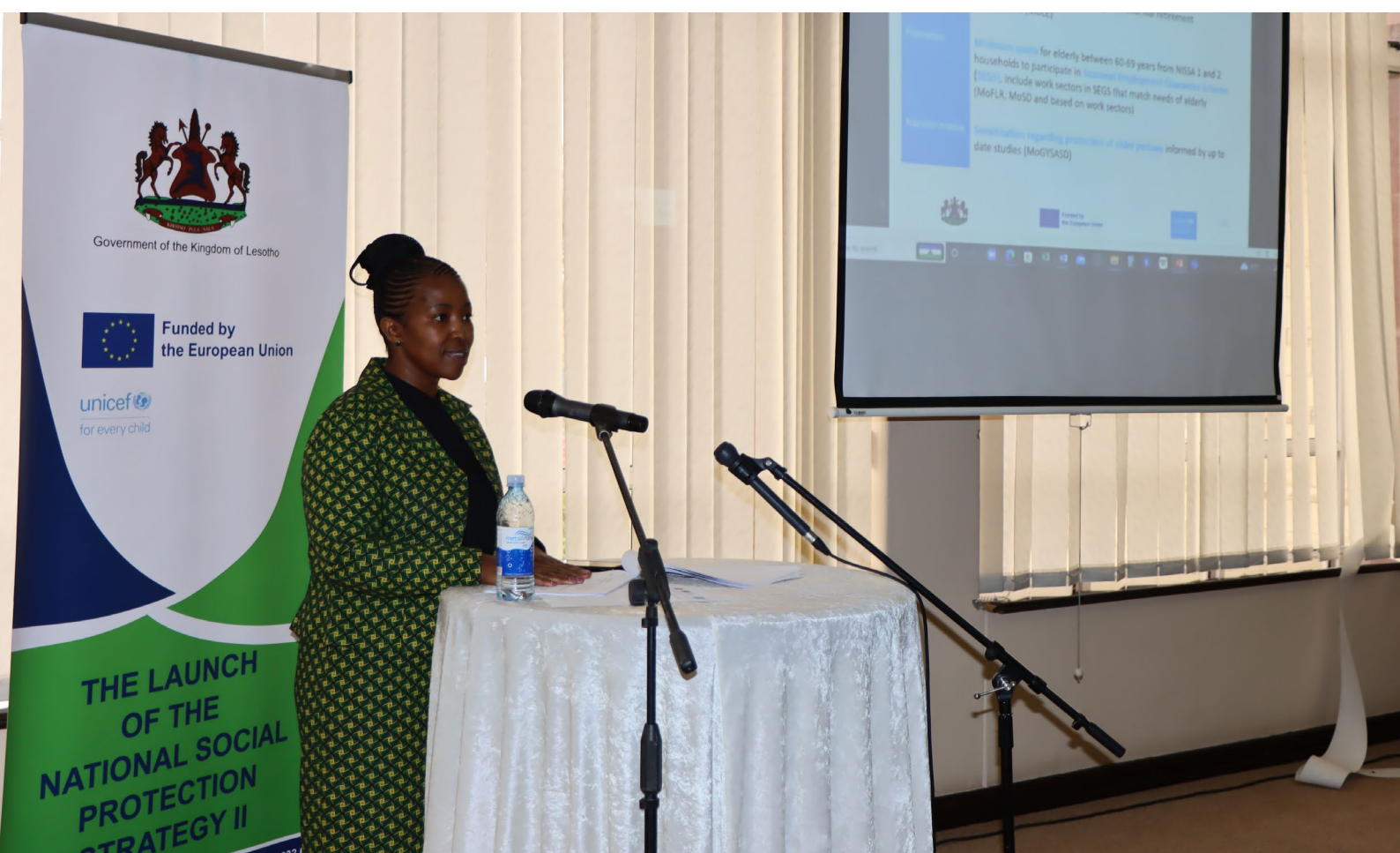
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On the other hand, the strategy cannot be effectively implemented if adequate resources are not allocated. Over the years, the Government of Lesotho has demonstrated its commitment to social protection by allocating significant resources to the sector and scaling up existing donor pilots into domestically funded national programmes. Yet, more funds have been going to programmes that have a limited impact on poverty. For example, in the financial year 2021/22, the government spent 7 per cent of the real Gross Domestic Product (GDP) on social protection, which equals M2,891.4 million, of which only 2.1 per cent of GDP was allocated to core social assistance programmes (M749 million). Furthermore, it is essential to note that almost 83 per cent of the budget for core social assistance programmes is targeted to address poverty among the elderly through the Old Age Pension. In comparison, only 9 per cent is allocated to the Child Grant Programme. At the same time, 80 per cent of the budget for complementary programmes is given to the Tertiary Bursary,^{xi} that actually benefits only 1% of the 40% of the household belonging to the bottom income distribution.^{xii} As such, not only does the NSPS II provide a way forward in terms of social protection programmes, but it also serves as a guide for the efficient and effective allocation of future funds for the social protection sector.

The role of committed leadership and the technical strength of social protection cannot be overemphasised. The NSPS II, like any other political and policy instruments, needs all key stakeholders, including the lawmakers, technocrats across various ministries, local governments, and social workers on the ground, to play their roles in advocating for and implementing the social protection strategy. Otherwise, the NSPS II will not reach its objective of improving the lives of the most vulnerable, reducing poverty and vulnerability.



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Development Partners Collaboration

The European Union (EU), the Government of Lesotho, and UNICEF entered into a partnership agreement in 2007 for the implementation of a national-level initiative to address the growing challenge of children orphaned or made vulnerable as a result of the HIV epidemic in Lesotho. Key outcomes of this partnership include: the initiation of the Child Grant Programme (CGP), which had reached 48,000 households in all rural areas of Lesotho by the end of 2022; the establishment of the National Information System for Social Assistance, a national wide social registry that contains socio-economic pieces of information of over 488,000 households (about 90% of all households) in Lesotho; and the drafting and approval of the second National Social Protection Strategy 2021-2031 (NSPS II) as well as the first ever Social Assistance Policy for Lesotho that is awaiting cabinet approval in 2023. As of January 2023, Phase III of the Government of Lesotho-EU-UNICEF partnership (2015 to 2022) to support the government in building an integrated social protection system has been concluded. An ambitious Phase IV of collaboration hinging on the digitisation of the social protection system and on linking social services for children from 0-5 is about to start.



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For more information on the brief, please get in touch with mforaci@unicef.org at UNICEF.

This Policy in Focus brief series is produced by Government of Lesotho jointly with UNICEF. The aim of the series is to encourage deeper discussion and understanding of issues important to children and the possible policy forward. To see other issues of our editorial series, visit: <https://lesotho.un.org/en/resources/publications>



i. Lesotho Household Budget Survey 2017/2018, P14

ii. Ibid, P125

iii. Ibid, p126

iv. Ibid, p13

v. Ibid, p50

vi. The Lesotho Population-based HIV Impact Assessment, 2020

vii. The National Social Protection Strategy I can be found here: <https://socialprotection.org/discover/publications/lesothos-national-social-protection-strategy>

viii. National Social Protection Strategy II (2021 – 2031)

ix. Ibid

x. National Social Protection Strategy II (2021 – 2031)

xi. Ministry of Finance and Development Planning and UNICEF, Draft 2021/22 Social Protection Budget Brief, forthcoming

xii. World Bank, Lesotho Social Protection Programs and Systems Review, 2021, p37



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