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Lesotho
Social Protection Budget Brief | Fiscal Year 2018/19

This budget brief is one of four briefs that explore the extent to which the national budget of the Kingdom of Lesotho addresses the needs of children under the age of 18. This brief analyses the size and composition of budget allocations for the fiscal year 2018/19 for social protection, and offers insights into the efficiency, equity and adequacy of past expenditure on social protection. The main objectives of the brief are to:

- synthesize complex budget information so that it can be easily understood by all stakeholders
- highlight key messages which can inform policy and budgeting decision-making processes.

Key messages

- The Government of the Kingdom of Lesotho (GoL) is committed to strengthening the social protection system. Integration of social assistance programmes is one of the key interventions of the National Social Protection Strategy 2011/12–2018/19 (NSPS) to enhance the efficiency and effectiveness of the social assistance programmes. However, due to inadequate legal instruments, this commitment is yet to be fully realized. It is therefore important for the government to adopt a social protection law.

- Of the six core social assistance programmes in the NSPS, the infant and disability grants are yet to be implemented. It is important for the government to initiate these programmes to address the vulnerabilities that infants and people with disabilities face in Lesotho.

- The National Information System for Social Assistance (NISSA) will be available countrywide by the first quarter of 2019/20. It is important for the government to ensure that all relevant programmes and stakeholders use NISSA data for targeting social assistance programmes; otherwise, NISSA will not be economically affordable and sustainable.

- Although Lesotho spends at least twice as much as its neighbours on social protection, overall expenditure on social protection and social assistance has declined significantly over the last five years, both as a percentage of gross domestic product (GDP) and total national expenditure. It is, therefore, important to progressively increase the size of the allocation to social protection.

- The lion's share of the social assistance budget goes to two programmes – the old age pension (45.2 per cent) for about 3 per cent of the population; and the tertiary bursary scheme (32.9 per cent); it is important to enhance allocative and operational efficiencies of these programmes.

- The child poverty rate in Lesotho, both monetary and multidimensional, is one of the highest in the southern African region; however, the three programmes directly targeted at children are allocated only 32 per cent of the social assistance budget, with a declining trend. Allocation to child-focused programmes needs to be increased by enhancing efficiency in the management of social protection.

- The largest cash assistance programme, the child grants programme, covers only 21 per cent of eligible children. Therefore, the government needs to progressively increase the coverage of the child grants programme, using the NISSA.

- Cash assistance programmes in Lesotho are not inflation-adjusted; as a result, the purchasing power of beneficiaries has declined. For example, the value of the child grant of 360 maloti (M) in 2018 is equivalent to only M250 when compared to its purchasing power in 2012. The value has declined by about 31 per cent over the last six years.

1. Introduction

1.1 Overview of the social protection sector

Social protection is an increasing priority of the GoL. Acknowledging the role enshrined in Lesotho Vision 2020, the National Development Strategy and the National Policy on Social Development, the GoL developed the NSPS to strengthen social protection systems in order to prevent and reduce economic and social vulnerabilities of the most disadvantaged populations in the country. The strategy defines social protection as "…a decent and dignified quality of life for all Basotho, free from poverty and hunger, that allows them to share in the benefits of national economic growth".[1]

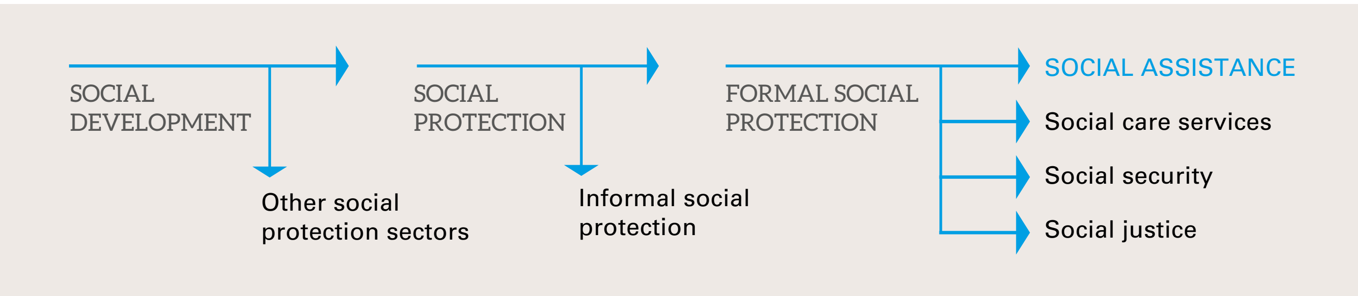
The immediate objectives of the NSPS are to:

- operationalize an integrated set of core social protection programmes aimed at reducing vulnerabilities throughout the life course;
- establish coherent and progressive social protection synergies by ensuring strong, positive linkages with other ministries and key stakeholders; and
- integrate and harmonize operational systems for the effective implementation of social protection programmes.

The objectives are yet to be achieved due to a lack of legal instruments for social protection. It is therefore important for the government to adopt a social protection act.

The NSPS focuses on a specific set of social protection instruments. These instruments have been categorized into: (i) social assistance; (ii) social insurance (termed 'social security'); and (iii) social care services. The strategy places its primary focus on social assistance (Figure 1), but includes references to existing social

Figure 1: The social protection framework in Lesotho



Source: NSPS 2014/15–2018/19, the Government of Lesotho.

1 NSPS 2014/15–2018/19 (page 1), the Government of Lesotho.

security and social care plans and policies. The NSPS also adopts a comprehensive integrated suite of core programmes across the life cycle (Annex 1).

Social assistance commits to cover six core programmes, as well as complementary programmes. The core programmes include: (i) the infant grant; (ii) the child grant; (iii) a seasonal employment guarantee scheme; (iv) the old age pension; (v) the disability grant; and (vi) public assistance. The infant and disability grants have been approved but have not yet been implemented and the seasonal employment scheme received no allocation in the 2018/19 approved budget. Complementary programmes include school feeding, the orphans and vulnerable children (OVC) bursary, the tertiary bursary and additional pension outlays (which are not targeted).

An overview of the key social assistance programmes is given in Table 1.

Table 1: Overview of key social assistance programmes in Lesotho, 2018

Social assistance programmes	Administrative responsibilities	Eligibility criteria	Coverage	Transfer value
Core				
Child grant	Social Development	Poor and vulnerable households with children aged 0–17 years	38,738 households, covering about 108,883 children	Paid quarterly. Amount of cash varies by number of children. A family with 1–2 children gets M360; with 3–4 children M600; and with 5 or more children M750.
Old age pension	Finance	Any Lesotho citizen over the age of 70 and not receiving civil service pension	80,000	M700 per month
Public assistance	Social Development	Destitute individual (OVC, the severely disabled, severely ill and elderly)	12,710	Monthly cash transfer, food package, medical fee exemption and other in-kind benefits for destitute households and individuals. Amount determined by social workers. Temporary cash benefit is M250 (US$18) per person per month for six months.
Seasonal employment/ public works/watershed management	Forestry	Public works programme employing able-bodied individuals living in rural areas for conservation-related activities (not poverty-targeted)	Estimated 58,000–115,000 individuals a year (first come, first served)	M960 (US$70) per month for a maximum of one month per year and on a rotational basis.
Complementary				
School feeding	Education	1–2 free meals daily to all children attending primary schools offering free education (1,450 schools) and some pre-schools	360,000 primary school children, 50,000 in pre-school	M3.50 per head per day
OVC bursary (OVC under 18 enrolled in secondary school)	Social Development	Students who have lost one or both parents; have a sick, disabled or incarcerated parent; or are considered needy	23,304 children	Bursary varies by grade and type of school but usually includes tuition fees, examination fees, registration cost, stationery, books, special subject fees (e.g. science fees and boarding fees)
Tertiary bursary	Finance	Lesotho citizens	Information is not available	Fees, boarding and allowance

Source: Administrative data of the ministries concerned, Lesotho, 2018.

Targets for programme implementation come from a variety of different strategic documentary sources. These sources are summarized in Table 2. There are several challenges related to using such disparate sources of information. These include a lack of coordination between ministries contributing to social protection and social assistance, and a lack of resources and capacity of the Ministry of Social Development (MoSD) to synchronize these targets under its own strategic plan. There is also no monitoring, so it is not possible to assess whether or not targets have been achieved, in turn making it impossible for the population to hold the government to account when commitments are not met.

In addition to developing the NSPS and its current programmes, the GoL further demonstrated its commitment to social protection by creating a Ministry of Social Development (MoSD) to lead and coordinate the implementation of relevant activities. Currently, the MoSD is responsible for implementing three core programmes (child grants, OVC bursaries and public assistance). However, the financial and human resources capacity of the ministry remains insufficient to effectively fulfil its mandate. There are also coordination issues, as several social protection programmes are implemented by other ministries, as shown in Table 1. Integration of social assistance programmes is yet to be realized. This is of the utmost importance to enhance efficiency and effectiveness in the management of social assistance programmes. The current NSPS runs until June 2019; it is therefore important for the government to review the strategy in 2019.

Another key milestone for the social protection sector is the establishment of the NISSA. The NISSA is a web-based database or single registry for storing and processing socio-economic information for all households in the country, which allows for the identification of vulnerable populations and targeting of beneficiaries for different social assistance programmes. By the first

Table 2: Key strategies and targets for social protection

Key documents	Years	Target 1	Target 2
Vision 2020	2000–2020	Universal infant grant to all pregnant women and mothers of under-twos	Poverty-targeted child grant to all poor households with children (50 per cent)
National Strategic Development Plan (NSDP)	2017/18–2022/23	The NSDP does not have clear targets; it is designed to promote and strengthen initiatives to reduce vulnerability (disability, HIV and AIDS, gender issues)	Step up education and immunization of children
National Social Protection Strategy	2014/15–2018/19	Child grant: Increase coverage to 15 per cent of households with children	Reduce age of eligibility to 69 for old age pension
MoSD Strategic Plan	2014/15–2016/17	Reach out to the 29 per cent of households identified as ultra-poor with social protection services	NISSA used as a single national registry for social assistance targeting
Budget Speech 2018/19	2017/18	Increase the coverage of the NISSA to all community councils and cover over 350,000 households	Child grants programme and the public assistance programme will target increasing the benefit for at least 25 per cent of consumption needs
National Disability Mainstreaming Plan	2014	No targets	No targets
Lesotho Policy for Older Persons	2014	No targets	No targets

Source: GoL Vision 2020; NDSP, Social Protection Strategy, MoSD Strategic Plan, Budget Speech 2018/19; National Disability Mainstreaming Plan (2014); and Lesotho Policy for Older Persons (2014) quarter of 2019, all rural households in the country will be included in the NISSA. The government needs to ensure that this is accomplished; and to make sure all relevant programmes and stakeholders use NISSA data for targeting social assistance programmes. If this is not done, NISSA will not be economically affordable and sustainable.

1.2 Coordination, harmonization and alignment

The GoL has established a coordination mechanism to implement social assistance programmes and better address the multiple and compounding risks facing vulnerable populations. The government, at the national level, has established three committees, i.e.: (i) the Cabinet Committee; (ii) the Secretary Committee; and (iii) the Technical Committee. At the subnational level, a district coordination committee has been established in each of the ten districts. Although the committees are in place, the mechanism is not yet fully operational at either level.

The Disaster Management Authority (DMA) is responsible for the coordination of social protection during emergency and humanitarian situations. However, the capacity of the DMA during emergencies remains a grave concern as the organization has inadequate human resources and funds to carry out its mandate effectively. Weak early warning and inadequate early action; lack of a scalability framework; and weak readiness of the system to respond to shocks, among many other issues, are key concerns. Coordination between the MoSD and DMA needs to be formalized, with a clear division of labour. United Nations agencies, under the leadership of UNICEF and with the support of the European Community Humanitarian Office, have been supporting the DMA and MoSD to strengthen early warning and early action, as well as shock-responsive social protection systems. It is important for both the MoSD and DMA to take the lead in strengthening the social protection system so that it is capable of addressing both chronic vulnerabilities and shocks during emergencies.

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Table 3: Socioeconomic indicators, Lesotho

Total population[1]	2,007,201	Rank on Human Development Index[3]	160/188
Population < 18 years[2]	765,614	Poverty rate (%)[4]	59.7
Children as a percentage of population[1]	38.1	Extreme poverty rate (%)[4]	34
Demographic growth[1]	0.68	Gini Index[3]	0.53
Percentage stunted children < 5[2]	33	Open defecation rate (%)[1]	19.6
Life expectancy (years)[1]	56	Overall unemployment rate (%)[5]	33
Infant mortality rate per 1,000 live births[2]	59	Under-five mortality rate per 1,000 children[2]	85
Maternal mortality rate per 100,000 births[2]	1,024	Access to water (%)[1]	88.1

Sources: (1) Lesotho Housing and Population Census, 2016; (2) Lesotho Demographic Health Survey, 2014; (3) Human Development Report, 2013, 2016, 2017; (4) World Bank, 2017; (5) Q1 2014/15 Continuous Multipurpose Survey,

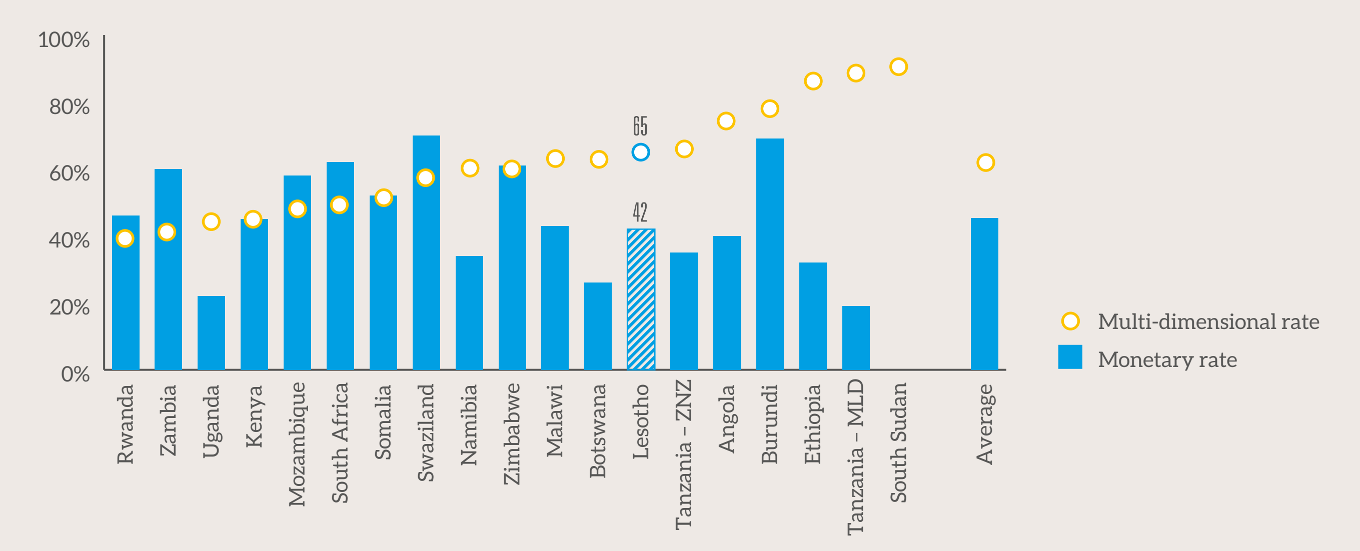
1.3 Population vulnerability

Poverty and inequality in Lesotho remain structural problems. Lesotho is one of the poorest countries in sub-Saharan Africa, with over a million people (half the population) living in poverty (Table 3). Of the poor, one in three are extremely poor, living below the national food poverty line of M138 (or about US$10) per adult per month. The country also has one of the highest levels of income inequality in the world, with a Gini coefficient of 0.53. Poverty and inequality are further exacerbated by HIV, which affects 25 per cent of adults; high unemployment, including nearly one in three youths; and food insecurity caused by the effects of climate change, including droughts and floods.[2]

The extent of poverty, overall, affects children the most. The child poverty rate in Lesotho, both monetary and multidimensional, is one of the highest in the region (Figure 1). Lesotho has a high rate of monetary poverty

2 United Nations Common Country Assessment 2017, United Nations Lesotho.

Figure 1: Multidimensional and monetary child poverty (percentage of child population) in selected countries, Eastern and Southern Africa Region



Source: Multiple Overlapping Deprivation Analysis (latest year available, downloaded October 2018).

at 42 per cent and one of the highest rates of multidimensional poverty in Africa, at 65.4 per cent. This makes the targeting of children imperative as part of the overall social assistance portfolio.

Social protection is important in Lesotho because of the high rate of unemployment. The United Nations Common Country Assessment, 2017[3] noted that about 33 per cent of the working age population is unemployed. The rate for youth is 32.3 per cent. Therefore, the creation of employment is one of the key priorities of the National Development Strategy.

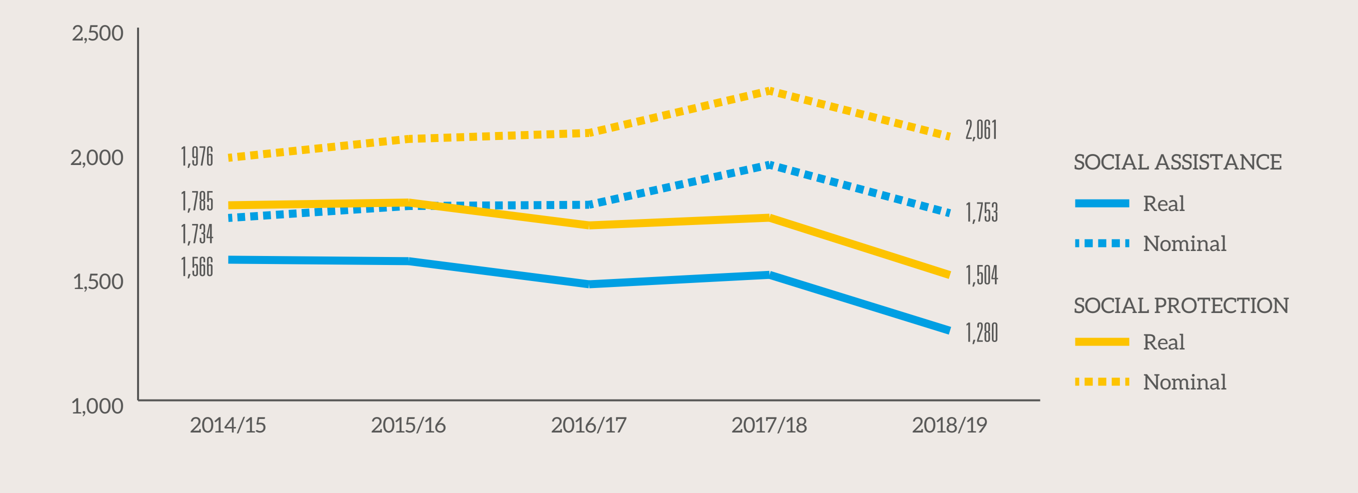
3 United Nations Common Assessment 2017, United Nations Lesotho.

Takeaways

- **Although the government has demonstrated strong commitment to social protection, there is no legal instrument that obligates stakeholders to implement different provisions of the social protection strategy. It is therefore important for the government to adopt a social protection act.**
- **Of the six core social assistance programmes in the NSPS, the infant and disability grants are yet to be implemented. It is of great importance that the government initiate these programmes, which will address the vulnerabilities that infants and people with disabilities face.**
- **Integration of the social assistance programmes is one of the key strategies of the NSPS to enhance the efficiency and effectiveness of the social assistance programme. However, such integration is yet to be realized.**
- **The current NSPS runs until June 2019; it is important for the government to review the strategy in 2019 to address emerging issues.**
- **As the NISSA will be available by the first quarter of 2019/20 it is important for the government to ensure that all relevant programmes and stakeholders use NISSA data for targeting social assistance programmes. Otherwise, the NISSA will not be economically affordable and sustainable.**
- **The capacity of the DMA to deliver its mandate needs to be enhanced by adequate human resources and funding. The DMA and MoSD should lead the implementation of the intervention supported by the European Community Humanitarian Office to strengthen the early warning and early action system and make the existing social protection system shock-responsive.**

2. Social protection and social assistance spending trends

Figure 3: Real and nominal spending in social protection and social assistance in absolute amounts: 2014/15 to 2018/19, Lesotho



Source: World Bank Boost Database, 2017; GoL National Budget 2018/19, 2018; and author's own calculations.

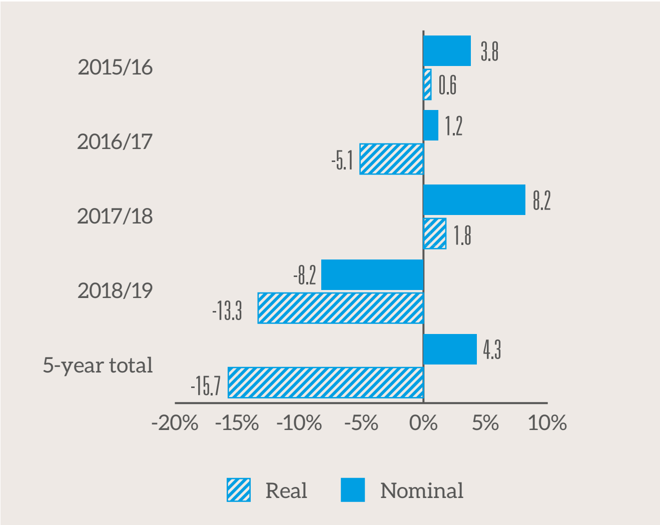
2.1 Size and changes in patterns of expenditure

In nominal terms, total expenditure for the approved budget has been increasing for social protection between 2014/15 and 2017/18; however, it decreased in 2018/19 as compared to 2017/18. Social protection commitments comprised M1,976 million in 2014/15, then increased to a high of M2,246 million in 2017/18, followed by a decrease to M2,061 million in 2018/19 (Figure 3). Overall, social protection nominal spending has increased by 4.3 per cent over the period 2014/15 to 2018/19, whereas it decreased by 8.2 per cent year on year between 2017/18 and 2018/19 (Figure 4).

The real value of the approved budget for social protection has declined over the period 2014/15 to 2018/19. In 2014/15, M1,785 million was committed. This declined in value to M1,504 million in the current fiscal year (2018/19) owing to inflationary pressures (Figure 3). Over the span of the five-year period, real commitments declined by 15.7 per cent. Over the last two years, (2017/18 and 2018/19) however, they fell by 13.3 per cent, accounting for the majority of the decline of social protection spending over the five-year period (Figure 4).

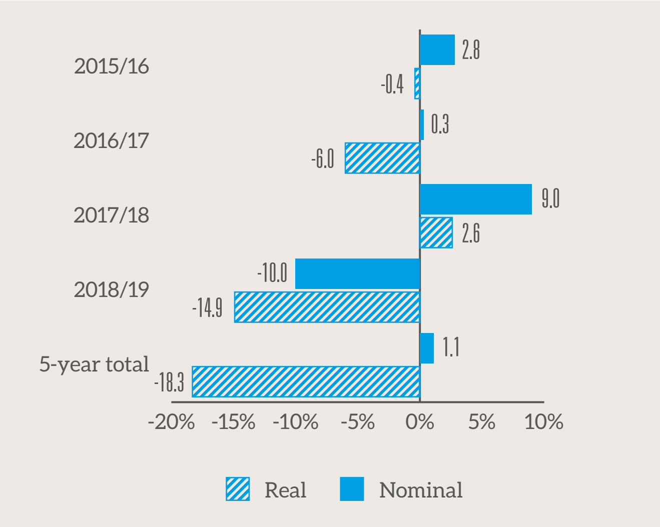
In nominal terms, total expenditure for the approved budget for social assistance has been increasing between 2014/15 and 2017/18, whereas it decreased in 2018/19 as compared to 2017/18. Social assistance

Figure 4: Changes (nominal and real) in spending on social protection (as a percentage): 2014/15 to 2018/19, Lesotho



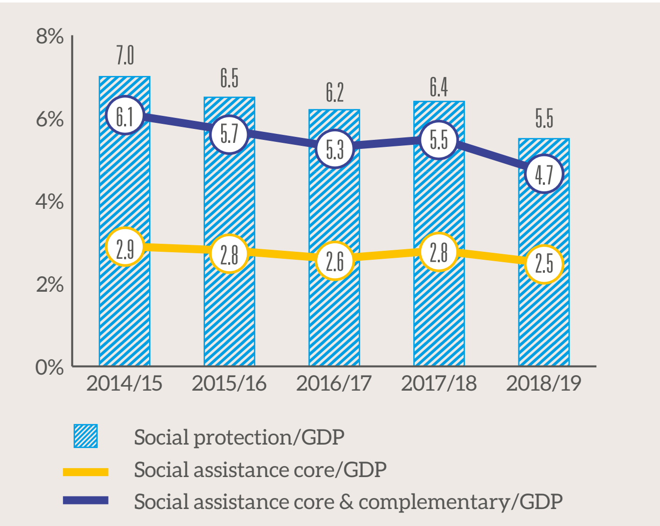
Source: World Bank Boost Database, 2017; GoL National Budget 2018/19, 2018; and author's own calculations.

Figure 5: Changes (nominal and real) in spending in social assistance (as a percentage): 2014/15 to 2018/19, Lesotho



Source: World Bank Boost Database, 2017; GoL National Budget 2018/19, 2018; and author's own calculations.

Figure 6: Social protection and social assistance approved budget as a percentage of GDP: 2014/15 to 2018/19, Lesotho



Source: Government Census: World Bank Boost Database, 2017; GoL National Budget 2018/19, 2018; and author's own calculations.

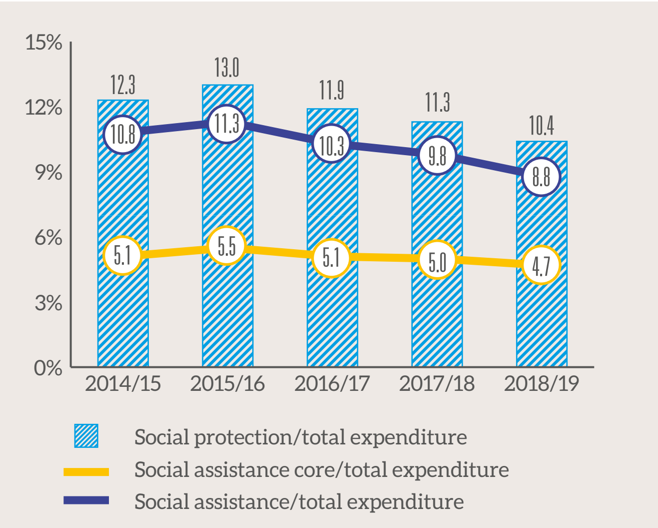
commitments comprised M1,734 million in 2014/15, then increased to a high of M1,948 million in 2017/18, followed by a decrease to M1,753 million in 2018/19 (Figure 3). Overall social assistance nominal spending has increased by 1.1 per cent over the period 2014/15 to 2018/19, whereas it decreased by 10 per cent year on year between 2017/18 and 2018/19 (Figure 5).

Real expenditure for the approved budget for social assistance has declined over the period 2014/15 to 2018/19. In 2014/15, expenditure was M1,566 million. This value declined to M1,280 million in 2018/19 owing to inflationary pressures (Figure 3). Over the span of the five-year period, real commitments declined by 18.3 per cent, whereas real spending fell by 14.9 per cent between 2017/18 and 2018/19; accounting for the majority of the decline of social protection spending overall (Figure 5).

Social protection and social assistance budgetary commitments as a share of GDP have declined in real terms by 1.5 per cent of GDP over the evaluation period. Social protection was at a high in 2014/15 at 7 per cent of GDP but has declined over the period to 5.5 per cent of GDP (Figure 6). Social assistance, including complementary programmes, has followed a similar pattern, as spending commitment as a share of GDP has fallen from 6.1 per cent to 4.7 per cent between 2014/15 and 2018/19. Social assistance, exclusive of complementary programmes, has declined less drastically, from 2.9 per cent to 2.5 per cent of GDP over the same period. High levels of inflation can account for some of the decline, but as can be seen from Figure 7, social protection and social assistance have also declined significantly as a share of the total government budget owing to a reallocation of social assistance core and complementary funding to other sectors.

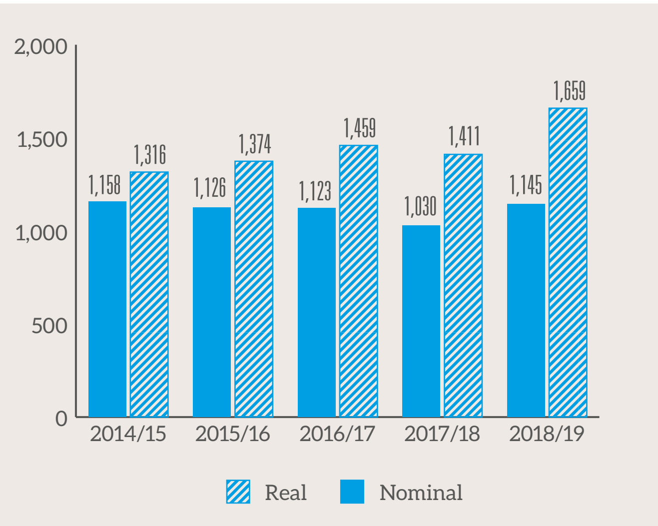
The proportion of expenditure for both social protection and social assistance, as a percentage of the national budget, has declined significantly since 2014/15. The approved budget for total social protection allocations was 12.3 per cent in 2014/15 (Figure 7). This figure rose to 13 per cent in 2015/16, but the allocation has since been on a steady decline. In 2018/19, total budgetary commitment for social protection is 10.4 per cent. This represents an overall decline of 15.4 per cent over the last five financial years. Budget commitments for social assistance, including complementary programmes, have declined from 10.8 per cent in 2014/15 to a low of 8.8 per cent for the 2018/19 fiscal year. This represents a decline of about 18 per cent over the period 2014/15 to 2018/19. Complementary programmes have not greatly contributed to the overall decline for social assistance, as these programmes only declined from 5.1 per cent to 4.7 per cent over the same period.

Figure 7: Trend of expenditure in social protection and social assistance as a percentage of total national expenditure: 2014/15 to 2018/19, Lesotho



Source: Government Census: World Bank Boost Database, 2017; GoL National Budget 2018/19, 2018; and author's own calculations.

Figure 8: Per capita social assistance spending (nominal and real in maloti): 2014/15 to 2018/19, Lesotho



Source: Government Census: World Bank Boost Database, 2017; GoL National Budget 2018/19, 2018; and Lesotho Demographic Health Survey, 2014.

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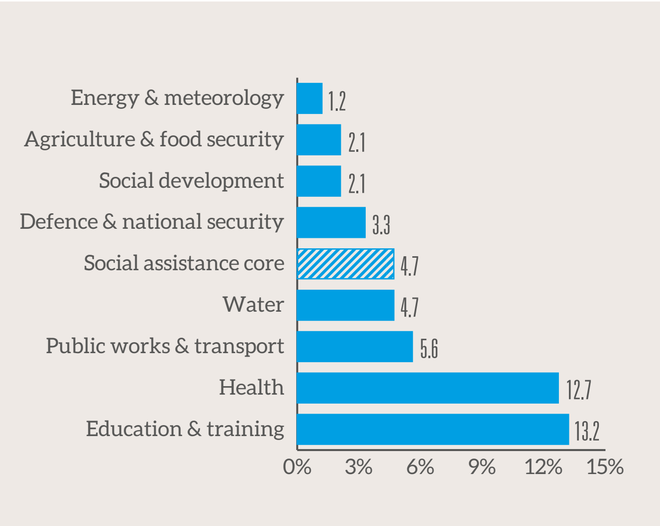
Per capita expenditure in social assistance[4] has increased significantly in nominal terms and remained at par in real terms. In 2014/15, per capita expenditure for social assistance was M1,158, and this has increased to M1,659 in the current fiscal year (Figure 8). However, in real terms, per capita spending has remained nearly constant, as allocations have declined only slightly from M1,159 to M1,145 over the same period. Given annual inflation rates of 6 per cent this indicates that on a per capita basis spending has remained constant over the period while accounting for an average population growth rate of 1.2 per cent per annum.

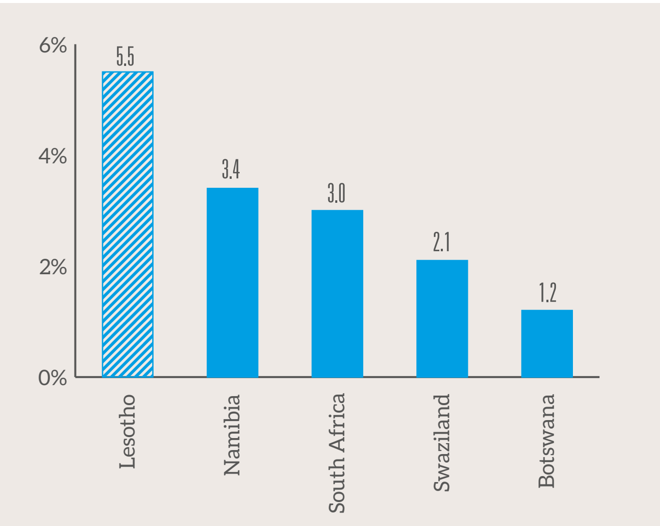
4 Per capita expenditure does not include contributory pensions since these are paid out of civil servants' own savings and thus represent government resources as opposed to actual expenditure.

Figure 9: Social assistance core programmes budgets compared to other priority sector budgets (as a percentage of total budget): 2018/19, Lesotho



Source: GoL National Budget 2018/19, 2018.

Figure 10: Lesotho social protection spending (as a percentage of GDP) compared with its neighbours: 2018/19



Source: World Bank ASPIRE Social Expenditure Indicators (accessed November 2018), and GoL National Budget 2018/19, 2018.

2.3 Priority of social assistance

Social assistance is a cross-cutting sector, rendering it challenging to compare with other priority sectors since programmatic budget funding for social assistance overall falls under the budget lines of a number of different ministries. However, considering allocations only for the four key programmes which fall either under MoSD or the Ministry of Finance, it is estimated that for 2018/19 social assistance (core) programmes represents 4.7 per cent of all government resources allocated under the approved budget (Figure 9). This makes social assistance the fourth most important sector in Lesotho in terms of size of allocation. Education, health and public works all have higher allocations than social assistance. In contrast, defence, agriculture, social development and energy have smaller budget allocations than do social assistance core programmes.

2.4 Public spending against commitments

According to the NSPS, the GoL should spend 3.92 per cent of GDP on core social assistance programmes and 4.8 per cent of GDP on two complementary programmes – the OVC bursary and school feeding programmes. However, in the current fiscal year (2018/19), the government allocated only 4.7 per cent of GDP for total social assistance spending. Therefore, the government has yet to realize its commitment. The budget for two programmes included in the social assistance budget, namely the tertiary bursary and the complementary pension, were not part of the commitment. The tertiary bursary has one of the largest allocations in the social assistance budget (32.9 per cent) so if the tertiary bursary budget is excluded from the social assistance budget, the expenditure on social assistance as a percentage of GDP is far less than was committed to.

2.5 Public spending on social protection in comparison with other countries

Efficiencies aside, Lesotho's overall investments in social protection fare favourably when compared to neighbouring countries. From Figure 10 it can be observed that Lesotho spends at least five times more than Botswana on social protection and almost twice as much as Namibia and South Africa.

Takeaways

- **Expenditure for social protection and social assistance has declined significantly over the last five years, both as a share of GDP and as a share of total expenditure, although Lesotho spends at least twice as much as its neighbours on social protection.**
- **Social protection funding has declined from 7 per cent to 5.5 per cent of GDP between 2014/15 and 2018/19. As a share of total expenditure social protection has declined from 12.3 per cent to 10.4 per cent.**
- **Social assistance has fallen from 6.1 per cent to 4.7 per cent of GDP over the same period. As a share of total expenditure social assistance has declined from 10.8 per cent to 8.8 per cent over the same period.**
- **Total social assistance, which is comprised of core programmes, complementary programmes and contributory pensions, has increased from M1,734 million in 2014/15 to M1,743 million in 2018/19.**
- **This represents an overall increase of 1.3 per cent in nominal terms. After accounting for inflation, real social assistance decreased by 18.5 per cent over the same period.**

3. Composition of social assistance spending

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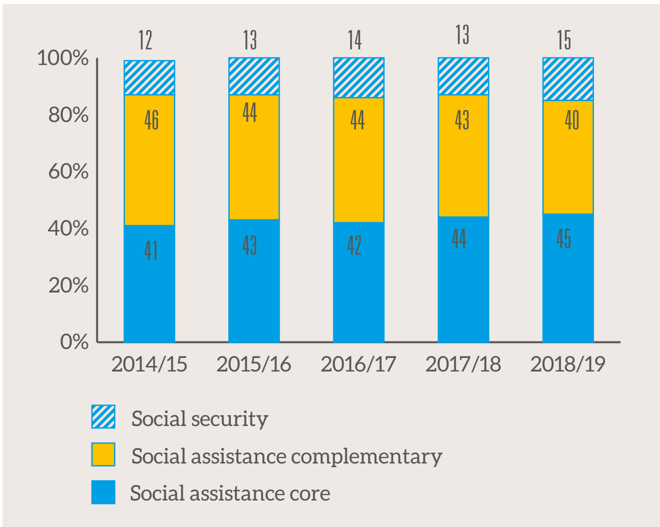
3.1 Composition of core spending

Social protection in Lesotho is composed of three primary areas: (i) social security, (ii) social assistance and (iii) social care services.[5] Social assistance comprises core social assistance and complementary social assistance programmes. Social security is comprised of contributory pensions for civil servants at 12 per cent of the budget for this fiscal year; core social assistance programmes consist of public assistance, child grants, universal old age pensions and watershed management at 40 per cent of the budget this fiscal year; and complementary social assistance programmes consist of four different ongoing programmes, namely school feeding, the tertiary bursary programme, the OVC bursary programme and a complementary pension scheme at 45 per cent of the approved budget for this fiscal year (Figure 11).

The approved budget for 2017/18 and 2018/19 indicate that the two largest programmatic interventions under social assistance budgetary commitments are for the old age pension and the tertiary bursary scheme. For 2018/19, the old age pension receives 45.2 per cent of all resources and the tertiary bursary (complementary programme) receives 32.9 per cent of all resources. These allocations are

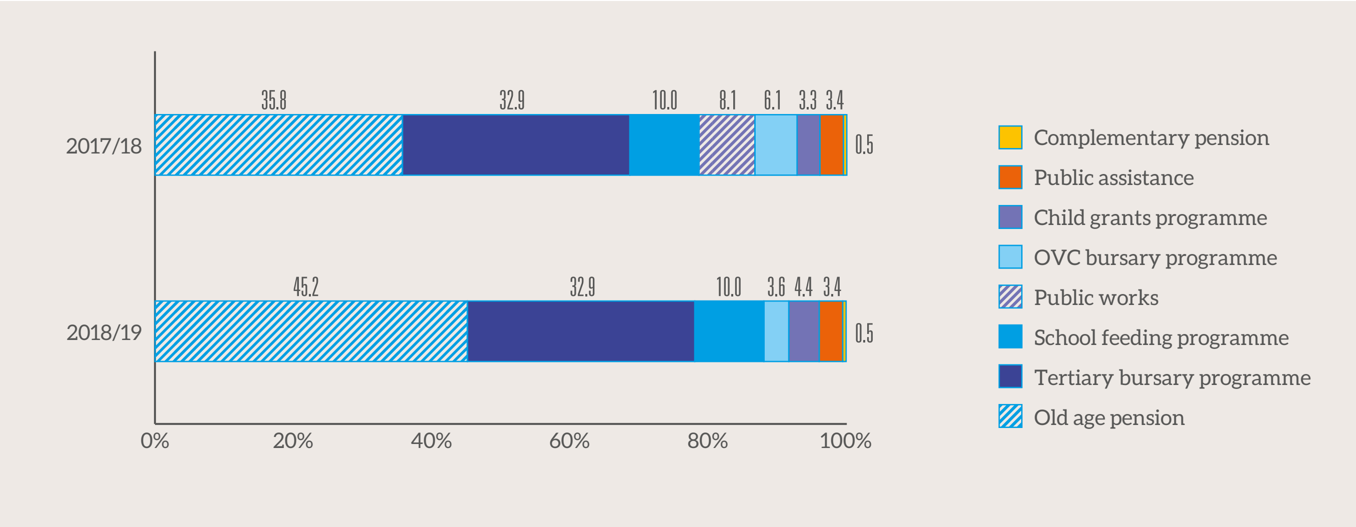
Figure 11: Composition of social protection allocation (as a percentage of total social protection budget): 2014/15 to 2018/19, Lesotho



Source: World Bank Boost Database, 2017; GoL National Budget 2018/19, 2018; and author's own calculations.

5 The budget for social care services is not taken into consideration here.

Figure 12: Distribution of total social assistance budget (as a percentage) among different social assistance programmes: 2017/18 to 2018/19, Lesotho



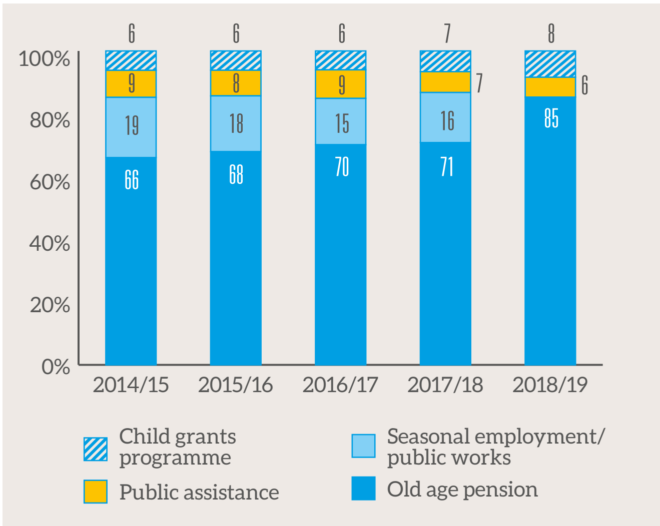
Source: World Bank Boost Database, 2017; GoL National Budget 2018/19, 2018; and author's own calculations.

followed by school feeding (10 per cent), child grants (4.4 per cent), the OVC bursary programme (3.6 per cent) and finally complementary pensions at 0.5 per cent of the total allocation for social assistance (Figure 12). The majority of these resources was transferred to the universal pension scheme. Allocation for the OVC bursary programme (child focused) has decreased. The allocation for child grants as a share of total resources for social assistance has, however, increased from 3.3 per cent in 2017/18 to 4.4 per cent in 2018/19.

A breakdown of the social assistance core programme budget shows that the lion's share goes to universal old age pensions. The share of budget allocated to the pension scheme has increased from 66 per cent in 2014/15 to 85 per cent in 2018/19 (Figure 13). Notably, child grants have also increased, from 6 to 8 per cent, between 2014/15 and 2018/19.

A breakdown of the approved budget for complementary programmes for social assistance shows that the lion's share goes to the tertiary bursary programme. The tertiary bursary programme budget showed a decreasing trend starting from 72.9 per cent in 2015/16 to 66.6 per cent in 2017/18; however, the budget has slightly increased, to 70 per cent, in 2018/19 (Figure 14). The school feeding programme budget has between 20.2 per cent and 22.1 per cent over the last five years. In 2018/19, this programme received 21.3 per cent of the complementary programme budget. An important trend is that the OVC bursary programme has increased, from a low of 4.5 per cent of total resources in 2014/15, to 7.7 per cent this fiscal year. The complementary pension progamme has remained steady over the period of evaluation, ranging from 0.9 to 1.1 per cent on an annual basis. In 2018/19 the programme was allocated 1 per cent of overall resources for complementary programmes.

Figure 13: Composition of core social assistance programme allocation (as a percentage of total core social assistance programme budgets): 2014/15 to 2018/19, Lesotho



Source: World Bank Boost Database, 2017; GoL National Budget 2018/19, 2018; and author's own calculations.

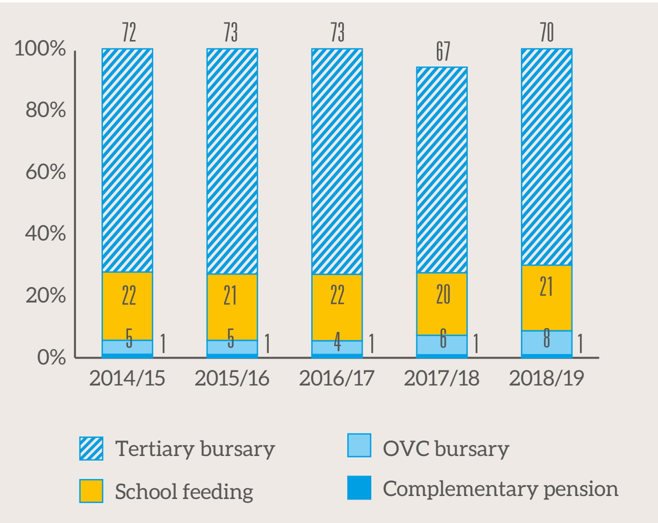
3.3.1 Child-focused spending

Although the child poverty rate in Lesotho, both monetary and multidimensional, is one of the highest in this region, only three programmes are directly targeted for children. These include (i) child grants, (ii) the OVC bursary and (iii) school feeding. Children in Lesotho currently number over 765,000 (38 per cent of the total population) and over 500,000 of Lesotho's children are poor. However, about 21 per cent of all children living in poverty receive the child grant. The school feeding programme is universal. It covers about 360,000 primary school children and 50,000 pre-school children. But as all the eligible children are not enrolling in and attending school, those who are not in school are not receiving the benefit of the school feeding programme. The OVC bursary covers 23,304 children. However, the amount of the bursary is not sufficient to cover basic costs.

Overall spending in child-focused programmes (as a percentage of the social assistance budget) consistently declined from 36 per cent in 2014/15 to 32.6 per cent in 2017/18. However, the proportion increased thereafter. Overall child-focused spending as a share of total social assistance allocations declined from 36 per cent of total allocations in 2014/15 to a low of 32.6 per cent in 2017/18 (Figure 15). It then increased to 34.1 per cent in the current fiscal year (2018/19). Child grants have remained stable at roughly 6 per cent between 2014/15 and 2017/18, whilst this figure promisingly rose to 8.4 per cent in 2018/19. The OVC bursary has also seen an increase, from 5.1 per cent of allocations in 2014/15 to a high of 6.9 per cent in 2018/19. Finally, school feeding has conversely experienced a steady decline in funding, from 24.8 per cent of all allocations in 2014/15 to a low of 18.9 per cent in 2018/19.

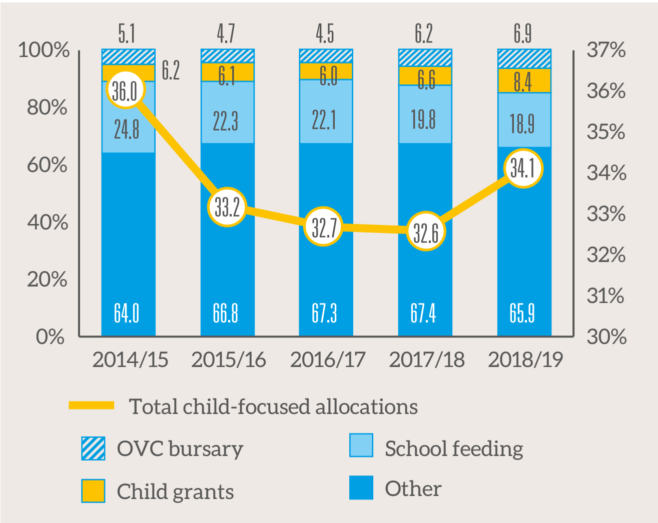
The real value of child-focused cash assistance programmes such as the child grant changed over the period but the amount remains the same. The child grant programme was introduced in 2009/10. Since the start of the programme, a family with 1–2 children has been provided with M360; a family with 3–4 children with M600 and a family with more than 5 children with M750. Over the nine-year period, the real value of M360, M600 and M750 has fallen to M262, M437 and M546 respectively (Figure 16). Thus, the purchasing capacity of the beneficiaries has declined. Therefore, it is very important to adjust cash provided through the cash assistance programme for inflation.

Figure 14: Composition of complementary social protection programme allocation (as a percentage of total complementary programmes): 2014/15 to 2018/19, Lesotho



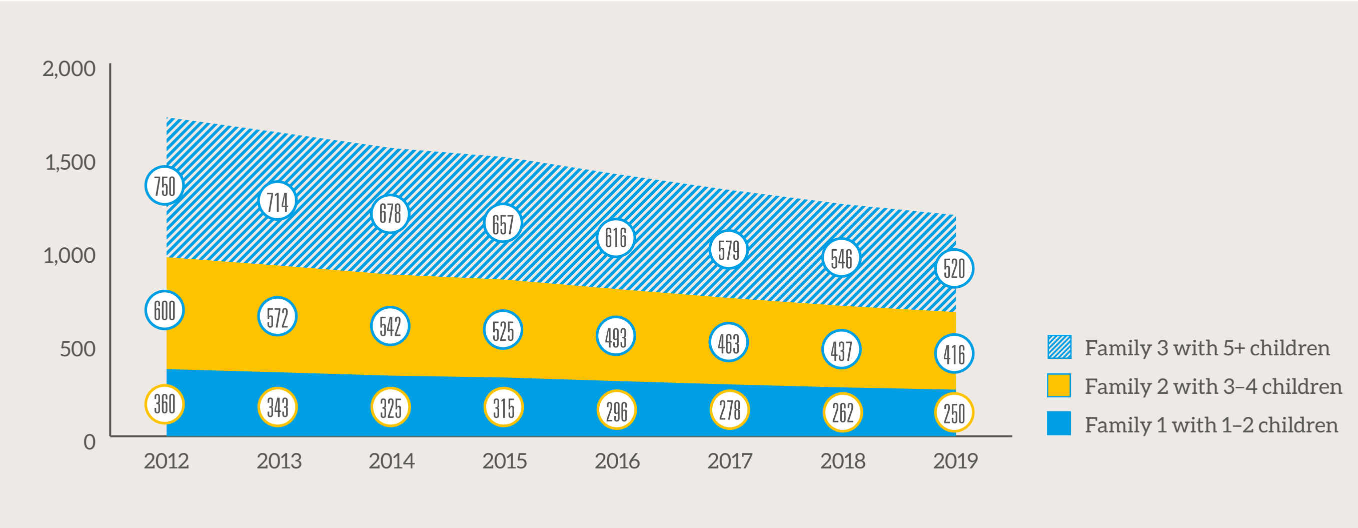
Source: World Bank Boost Database, 2017; GoL National Budget 2018/19, 2018.

Figure 15: Child-focused spending (as a percentage of total social assistance budget): 2014/15 to 2018/19, Lesotho



Source: World Bank Boost Database, 2017; GoL National Budget 2018/19, 2018.

Figure 16: Inflation-adjusted child grant value: 2009/10 to 2018/19, Lesotho



Source: Author's estimation based on MoSD information on benefits and Ministry of Finance information on inflation, 2018.

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Takeaways

- The lion's share of the social assistance budget goes to two programmes – the old age pension (45.2 per cent) and the tertiary bursary scheme (32.9 per cent);
- About 40 per cent of the population in Lesotho are children. The child poverty rate in Lesotho, both monetary and multidimensional, is one of the highest in this region; however, only three programmes are directly targeted to children, with only 32 per cent of the social assistance budget, with a declining trend.
- The largest cash assistance programme for children, the child grant programme, covers only 21 per cent of eligible children;
- The real value of child-focused cash assistance programmes, the child grant for example, decreased by 24 per cent over the period, but the amount given remains the same.

Annex 1: NSPS objectives and vulnerabilities facing Basotho children across the life cycle

LIFE-COURSE STAGE	PREGNANCY/EARLY CHILDHOOD	SCHOOL AGE/YOUTH	WORKING AGE	OLD AGE	DISABILITY/ CHRONIC ILLNESS	DISABILITY/ SHOCKS
	Disability, chronic illness, HIV/AIDS					
POTENTIAL VULNERA-BILITIES	Stunting Reduced cognitive development Missed immunization No access to antenatal and postnatal care Loss of parental care from bereavement or migration	Child labour No access to school (esp. girls) Malnutrition Loss of parental care from bereavement or migration Inadequate skills Unemployment Inability to access training Alienation Early marriage/ motherhood	Unemployment and underemployment Inadequate wages Debt Need to care for children and parents No child care Gender discrimination Domestic violence Dowry payments	Increasing frailty Inability to work No care from family Discrimination in labour force Need to care for grandchildren	Additional costs No access to school/vocational training Physical barriers Stigmatisation Discrimination	INDIVIDUAL Illness Theft Death or invalidity of breadwinner WIDESPREAD Drought Natural disaster Financial crisis

Source: National Social Protection Strategy 2014/15–2018/19, Lesotho

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