INVESTING IN HUMAN CAPITAL IN LESOTHO:

A Framework for a Coordinated Multi-Sectoral Approach

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Human Development Global Practice

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ACKNOWLEDGMENT

This Note was prepared as a guidance on how to promote a coordinated and harmonized approach across key human development sectors in addressing low human capital outcomes in Lesotho and ensuring that all children grow up healthy, reaching their full learning and development potential. The objective of this guidance Note is to first and foremost improve the efficacy of existing programs, ensure that these programs "talk to each other" and that new programs are introduced where there are significant gaps hampering human capital formation in the country. Thus, the Note ultimate objective is to serve as a guide to the Government of Lesotho as a whole and its relevant sectoral ministries in planning and developing human development policies, as well as to the World Bank and other development partners in planning their interventions to support the Government of Lesotho.

The Note builds on several World Bank studies prepared in recent years in education, health and nutrition and social protection, as well as on the Poverty Assessment for Lesotho that was completed in 2019. The team is grateful to Igor Kheyfets, Laura Rawlings, Son Nam Nguyen, and Waly Wane for providing valuable comments. The World Bank team worked under the guidance and leadership of the Country Director for Southern Africa, Marie-Francoise Marie-Nelly; the Resident Representative for Eswatini, Nonhlahla Zindela; Amit Dar, the Regional Director for Human Development in Africa, as well as Muna Meky, the Practice Manager for Education for Eastern and Southern Africa, Paolo Belli, the Practice Manager, Social protection and Jobs, Eastern and Southern Africa and Francisca Ayodeji Akala, the Practice Manager for Health, Nutrition & Population, Eastern and Southern Africa.

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ACRONYMS

ALMP	Active Labour Market Program
ANC	Antenatal Care
ART	Antiretroviral Therapy
BELDS	Better Early Learning and Development at Scale
BESP	Basic Education Strengthening Project
CeMONC	Comprehensive Emergency Obstetric and Newborn Care
CGP	Child Grant Program
CMS/HBS	Continuous Multipurpose Household Survey and the Household Budget Survey
DMA	Disaster Management Authority
ECCDE	Early Childhood Care, Development and Education
ECD	early childhood development
ECOL	Examination Council of Lesotho
EGM	Early Grade Mathematics
EGR	Early Grade Reading
EMIS	Education Management Information System
ESA	Education Sector Analysis
ESSP	Education Sector Strategic Plan
GBV	Gender Based Violence
GDP	Gross Domestic Product
HCI	Human Capital Index
ILO	International Labor Organizations
IPC	Integrated Food Security Phased Classification
IYCF	Infant and Young Child Feeding
ISSN	Integrated Social Safety Net
LBEIP	Lesotho Basic Education Improvement Project
LEQEP	Lesotho Education Quality for Equity Project
LMIC	Lower-Middle Income Country
MCC	Millennium Challenge Corporation
MELQO	Measurement of Early Learning and Quality Outcomes
MGYSR	Ministry of Gender, Youth, Sports and Recreation
MHM	Menstrual Hygiene Management
MICS	Multiple Indicator Cluster Survey
MIS	Management Information System
MoET	Ministry of Education and Training
MoH	Ministry of Health
MoNR	Ministry of Natural Resources
MoSD	Ministry of Social Development
NCD	Non-Communicable Disease
NEET	Not in Employment, Education, or Training
NGO	Non-Government Organization
NISSA	National Information System for Social Assistance
NJCTL	New Jersey Centre for Teaching and Learning
OAP	Old Age Pension
OVC	Orphans and Vulnerable Children

OVC-B	Orphans and Vulnerable Children bursaries
PA	Public Assistance
PLHIV	People Living with HIV
PSI-PMI	Progressive Mathematics Initiative- Progressive Science Initiative
SACU	Southern Africa Customs Union
SBMCs	School Based Management Committees
SEA	and Sexual Exploitation and Abuse
SES	Socioeconomic Status
SIP	School Improvement Plan
TVET	Technical and Vocational Education and Training
UNICEF	United Nations International Children's Emergency Fund
VHM	Village Health Motivators
WHO	World Health Organization

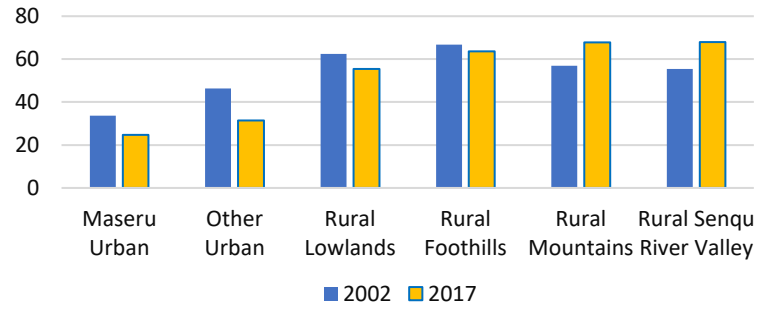
CONTEXT

Macroeconomic context

1. **Although classified as a lower-middle income country (LMIC) with nominal per capita gross domestic product (GDP) of US$ 1,299, Lesotho is beset by high levels of poverty, income inequality (Gini coefficient of 44.9) and slow economic growth incapable of creating sufficient jobs.** The Kingdom of Lesotho is a small enclave country surrounded by South Africa. The country is roughly divided into four agro-ecological zones − the Lowlands, which are home to about 75 percent of the country's population, the Foothills, Mountains, and Senqu River Valley. It has a population of about 2.1 million that is growing at a modest rate of 1.3 percent annually (UN Population Division, 2019). The country's population is youthful, with 76 percent being below the age of 36. Recently, Lesotho's economic growth has been slower than the average for LMICs, shrinking by about 2.7 percent and 1 percent in 2017 and 2018, respectively and growing only by 1.1 percent in 2019. Following the onset of the ongoing COVID-19 pandemic, economic growth rate further decelerated, with the economy shrinking by 4.5 percent in 2020 and the growth rate is expected to remain subdued in 2021.[1] While Lesotho is the least unequal country among its Southern African neighbors, it is still among 20 percent of the most unequal countries in the world (IMF, 2021).

2. **Over the past two decades, Lesotho has experienced some poverty reduction, with the poverty rate declining from 56.6 percent in 2002 to 49.7 percent in 2017 (Sulla, et al., 2019).** However, improvements have not occurred evenly across the country. In fact, in the rural Mountains and the rural Senqu River Valley parts of the country, poverty increased over the same time period. In 2017, 67.8 percent of Basotho living in rural Mountains region were considered poor, a significant increase from 56.9 percent in 2002 (see Figure 1). Basotho living in rural areas do not only face higher risks of poverty, but the depth and severity of poverty experienced by them tends to be higher. Further, the slowing down of the economy, alongside the impact of the COVID-19 pandemic, is likely to increase the poverty rate significantly, especially in already vulnerable rural areas.

Figure 1: Poverty Incidence by Ecological Zones



Source: Sulla, V., Zikhali, P. and Mahler, D.G., 2019.

3. **Lesotho experiences significant weather shocks, including droughts and floods, which adversely affect food security.** Most of its population, particularly those in rural areas, depend on rainfed agriculture and livestock farming for income and consumption. Extreme weather events have led to substantial crop and livestock losses, worsening an already high rate of food insecurity, with the average share of food spending in total household consumption expenditure being 63.6 percent in 2017, and as high as 78.4 percent among households in the poorest income decile. The COVID-19 pandemic is also negatively impacting food security, compounding the impacts of the severe drought in 2019. According to the

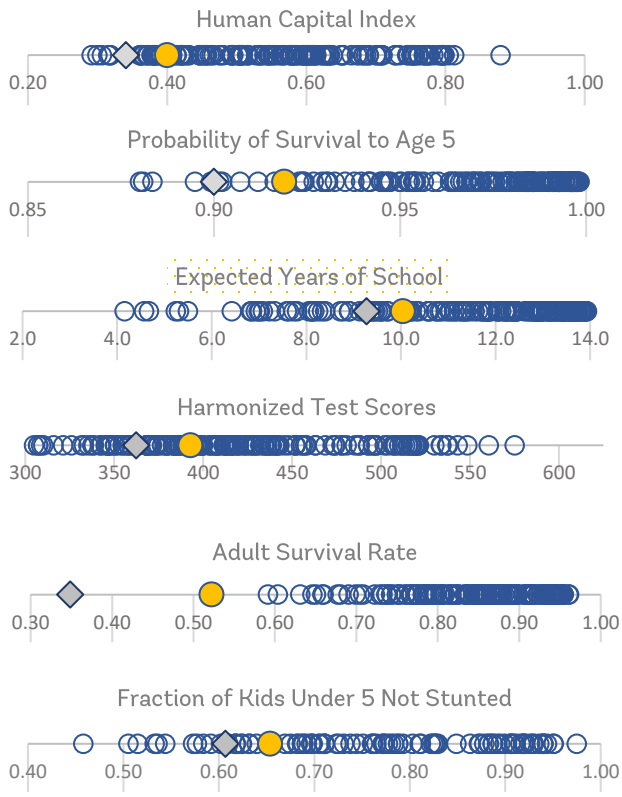
[1] The figures are based on IMF estimates of Real GDP growth rates obtained on August 13 from https://www.imf.org/en/Countries/LSO.

Integrated Food Security Phased Classification (IPC) estimates, more than 90 percent of rural households in the country had depleted their food stocks due to the drought at the onset of the pandemic, depending largely on food purchases (IPC, 2019). Indeed, around 26 percent of Lesotho's population (374,000 people) faced high food insecurity from July to September 2020 and between October 2020 to March 2021, the most recent estimates suggest that around 40 percent of the population (582,000 people) were projected to be in a food security "crisis" (IPC Phase 3) with pockets of highly vulnerable populations in "emergency" status (IPC Phase 4) (IPC, 2020).

Human capital

4. **Lesotho has made some progress in improving human development outcomes, however, outcomes in education and health remain well-below other LMICs (see Figure 2).** The Human Capital Index (HCI)[2] estimates for 2020 showed that a child born *before the COVID-19 pandemic* in Lesotho will be only 40 percent as productive when s/he grows up as she could be if s/he enjoyed complete education and full health by the age of 18. While this shows an encouraging improvement from the 2010 estimate of 34 percent, the deficiencies in human capital formation and state are still considerable. Overall, despite the improvements across the various components of the HCI in the last decade, human capital outcomes remain low compared to other LMICs.[3]

Figure 2: Lesotho's Score on HCI and Components



Large circles and diamonds indicate scores for Lesotho in 2020 and 2010 respectively.
Source: World Bank, 2020, Human Capital Project.

5. The 2020 HCI estimates show that 92 of 100 children born in Lesotho survive to age 5. Children who start school at age 4 can expect to complete 10 years of school by age 18. However, when years of schooling are adjusted for quality of learning, the 10 years of schooling become equivalent to only 6.3 years. Only 52 percent of 15-year-olds will survive until age 60. Thirty five of 100 children are stunted, facing a high risk of cognitive and physical limitations that can have. impacts that last their lifetime. Table 1 shows Lesotho's score across the various HCI components, benchmarked against averages for Sub-Sharan Africa (SSA) countries and other income groups. Overall, the results show that significant changes are needed to improve quality, efficacy, efficiency, and equity of delivery of services in health, education, and social protection

[2] The HCI measures the amount of human capital that a child born today can expect to accumulate by age 18, measuring his/her productivity compared to a benchmark of complete education and full health. The components of the index are shown in Table 1.

[3] An updated estimate of HCI following the onset of the COVID-19 pandemic is not yet available.

Table 1. Lesotho's Human Capital Index, benchmarked against Sub-Saharan Africa and other income groups

Indicator	Lesotho 2020	Sub-Saharan Africa	Low Income	Lower Middle Income	Upper Middle Income	High Income
HCI Component 1: Survival						
Probability of Survival to Age 5	0.92	0.93	0.93	0.96	0.98	0.99
HCI Component 2: School						
Expected Years of School	10	8.3	7.6	10.4	11.8	13.2
Harmonized Test Scores	393	374	356	392	411	487
HCI Component 3: Health						
Survival Rate from Age 15-60	0.52	0.74	0.75	0.80	0.86	0.92
Fraction of Children Under 5 Not Stunted	0.65	0.69	0.65	0.75	0.87	0.80
Human Capital Index (HCI)	**0.40**	**0.40**	**0.38**	**0.48**	**0.56**	**0.71**

Source: World Bank, 2020, Human Capital Project.

5. In Lesotho, human capital outcomes differ significantly by socioeconomic status (SES), with poorer population experiencing worse outcomes. Disaggregated HCI analysis (SES-HCI) looks at levels of the HCI and its components across income distribution.[4] In Lesotho, the HCI of a child born in 2019 in the richest 20 percent of households is expected to be 59 percent, while it is 46 percent for a child born in the poorest 20 percent, a gap of 13 percentage points. This gap is somewhat smaller than the typical gap across the 50 countries (15 percentage points) for which the World Bank Human Capital Project conducted disaggregation of HCI.[5] Regarding disaggregation of indicators included in the HCI, the results are as follows:

- *The probability of survival of a child born today*: 93 percent among children in the richest 20 percent of households is 93 percent, and 92 percent for a child born in the poorest 20 percent, a gap of 1 percentage points. This gap is smaller than the typical gap across the 50 countries (4 percentage points).
- *Expected Years of School*. In Lesotho, a child in the richest 20 percent of households who starts school at age 6 can expect to complete 11.2 years of school by her 18th birthday while a child from the poorest 20 percent can expect to complete 9.5 years of school, a gap of 1.7 years of school. This gap is smaller than the typical gap across the 50 countries (2.4 years).
- *Harmonized Test Scores*. Students from the richest 20 percent of households in Lesotho score 384 while those from the poorest 20 percent score 348, a gap of 37 points on a scale that ranges from 300 (minimal attainment) to 625 (high attainment). This gap is smaller than the typical gap across the 50 countries (55 points).
- *Healthy Growth (Not Stunted Rate)*. In Lesotho, the percentage of children in the top 20 percent of households who are not stunted is 87 percent while it is 56 percent among the poorest 20 percent, a

[4] For more information, please visit www.worldbank.org/humancapitalproject/.
[5] *Ibid*.

gap of 31 percentage points. This gap is larger than the typical gap across the 50 countries (19 percentage points).

6. The gap between the top and bottom 20 percent of income distribution is observed in all indicators, even though it is lower than other countries included in the analysis. It is particularly pronounced in stunting, where it is very large, with 44 percent of children in the bottom quintile stunted versus 13 percent in the top quintile.

7. **HIV/AIDS continues to pose a big threat to Lesotho's human capital.** With the prevalence rate of 23.6 percent among youth and adults ages 15-49, Lesotho is one of the hardest hit countries by the HIV/AIDs pandemic− only second to Eswatini. More recently, testing and treatment coverage has significantly improved in the country; however, poverty, gender inequality and HIV stigma and discrimination remain constraints to HIV prevention and treatment. As such, HIV/AIDS continues to be a key driver of the low survival to adulthood in the country. By disrupting the family structure, it also adversely impacts all other human capital outcomes in the country. The impact of HIV/AIDS on women has been significantly worse, with women accounting for about 59 percent of those living with the virus (in 2017 prevalence among women was 29 percent compared to 18.7 percent among men) (UNAIDS, 2019).

8. **Efforts to strengthen human capital outcomes and service delivery in Lesotho are constrained by a number of factors.** The World Bank has been engaged in the education, health, and social protection sectors in Lesotho and has identified some of the key binding constraints across an individual's life cycle which include the following. The high levels of poverty and inequality are critical drivers of low human capital outcomes in Lesotho (and vice versa). Health and child survival outcomes are worse for the poorest, and the high prevalence of HIV/AIDS exacerbates disadvantage of many in the country. Compounding this disadvantage for children from poor households is their inability to stay in school and their complete at least basic education. Moreover, children do not learn enough by the time they leave school in Lesotho. Since human capital accumulation is low among the poor and the population in rural areas, they also experience poor labour market outcomes, which feed into the intergenerational transmission of poverty. These outcomes are discussed in more detail below.

9. **Further, the COVID-19 pandemic has implications for human development.** On March 18, 2020, Lesotho declared a state of emergency due to the COVID-19 pandemic. Human capital is hit hard by the pandemic, with health, education, food security and household and government financing being at risk (see Box 1: Impact of COVID-19 on Human Capital). The Government of Lesotho recognizes that the cost of not acting in response to the pandemic could be detrimental and as such, has pushed for a multisectoral actions beyond immediate emergency response. The World Bank is contributing to Lesotho's response to the crisis through the Lesotho COVID-19 Emergency Preparedness and Response Project (P173939), which supports investment in health and water and sanitation and hygiene. In addition, the Lesotho Basic Education Improvement Project (LBEIP - P160090) is providing support for the safe reopening of schools following the COVID-19 induced school closures in March 2020. Lastly, the Social Assistance Project (P151442) has also supported the temporary expansion of the Child Grant Program (cash transfers) to an additional 11,704 beneficiaries providing a one-time transfer of M1,890 to poor households that were identified via the National Information System for Social Assistance (NISSA) social registry.

Box 1: Impact of COVID-19 on Human Capital

COVID-19 affects human capital both directly and indirectly. In addition to the loss of life and productive resources attributable to it, the pandemic poses risks to human capital through other pathways. First, by disrupting the provision of essential services (lifesaving and primary health services, education, and

community services), it could lead to additional loss of lives and pose a huge set back to hard-won gains in human capital. Second, containment measures affect livelihoods and food security, posing a risk to nutrition and reducing the ability of households to invest in human capital. Third, supply disruptions could increase the price of perishable and nutritious foods, among others, posing a risk to child nutrition, adult and child survival, and human capital development. Fourth, isolation and quarantine-induced domestic violence and abuse could negatively affect mental health, children's brain development and women's well-being.

The disruption of health services due to COVID-19 may have significant negative impact on child mortality, maternal mortality, and other cause-specific mortality. Under-five and maternal mortality may increase due to disrupted services. Disruptions in services for HIV, TB and malaria could lead to an increase in number of deaths and a decrease in life expectancy. Malaria burden in Sub-Saharan Africa could double from the previous year if all malaria-control activities are highly disrupted. Such an increase would mean returning to malaria mortality levels not seen in two decades.

The COVID-19 pandemic has disrupted and is negatively affecting learning. School closures coupled with economic shocks will result in a loss in learning that will exact high economic costs: the developing world stands to lose between 3 to 8 trillion dollars according to initial conservative estimates. These numbers depend on how effective mitigation strategies are to offset any likely school dropouts and learning losses.

Given the simultaneous supply and demand side shocks, COVID-19 will also affect human capital through its effect on household income, poverty status, maternal stress and thereby nutrition of both adults and children and other early childhood development outcomes.

COVID-19 could also affect women's well-being and their human capital through increased Gender Based Violence and disruption of critical health services. Women are at increased risk of Intimate Partner Violence due to isolation and potential increases in negative coping mechanisms in the household (e.g., excessive alcohol consumption). Projections show that 31 million additional Gender Based Violence cases can be expected for a 6-month long lockdown. Moreover, many women may not have access to modern contraceptives. This will increase unintended pregnancies and adolescent fertility. As a result, girls may not come back to school after schools reopen, as was the case after the Ebola outbreak; when schools reopened, girls were 16 percentage points less likely to be in school.

Source: Adjusted from the World Bank material. See: *www.worldbank.org/humancapitalproject/*.

BINDING CONSTRAINTS TO STRENGTHENING HUMAN CAPITAL DEVELOPMENT

High levels of poverty and inequality affect human capital outcomes and impede access to services crucial for human capital development.

10. **Lesotho performs worse in terms of child survival compared to other countries in SSA and amongst LMICs.** The under-five mortality rate in Lesotho (76.2 deaths per 1,000 live births) is slightly better than the SSA average (78 deaths per 1,000 live births), but significantly worse off than the average for LMICs (49 deaths per 1,000 live births). Lesotho suffers from the triple burden of malnutrition (undernutrition, overnutrition, and micronutrient deficiency), which adversely affects the country's HCI. Malnutrition remains the leading cause of deaths among children in Lesotho.[6] About 6.6 percent of children under five years old in Lesotho are overweight or obese, with the prevalence being higher in urban areas compared to rural areas (8.6 percent versus 6.6 percent, respectively) and among children living in the richest households (8 percent) compared to the poorest households (6.3 percent).

[6] According to the Cost of Hunger Study in Africa (COHA), over 19 percent of child mortality is associated with undernutrition, 17.7 percent of all repetitions in schools is associated with stunting, and stunted children achieve 3.6 years less in school.

Micronutrient deficiency is a major contributor to childhood morbidity and mortality, lags in intellectual and cognitive development, and low learning outcomes in school. More than half of children ages 6-59 months are anaemic (51 percent), with a peak prevalence of 65 percent observed among children 9-11 months. In Lesotho, 34.5 percent of children under 5 are stunted and 2 percent are wasted (UNICEF, 2019). Stunting is more prevalent in rural areas (66.4 percent) compared to urban areas (33.6 percent) and is higher among those in the lowest wealth quintile (44.0 percent) as compared to the highest wealth quintile (13.0 percent). High rates of stunting, i.e., greater than the 20 percent benchmark, are universally present across the different districts, being 46.4 percent in Foothills, 44 percent in Mountains, 33.7 percent in Senqu River Valley and 29.6 percent in Lowlands.

Table 2. Status of early childhood, maternal survival, growth, and development outcomes in Lesotho

Early Childhood Development Indicators	Lesotho	SSA	LMICs	SDG Target (2030)
Neonatal mortality (within the first 28 days) per 1,000 live births	36.4/ 1,000 live births	27.7/1,000 live births	24/1,000 live births	12/1,000 live birth
Infant mortality (0-24 months) per 1,000 live births	62.5/1,000 live births	53/1,000 live births	37/1,000 live births	
Under- five mortality per 1,000 live births	76.2/1,000 live births	78/1,000 live births	49/1,000 live births	25/1,000 live birth
Maternal mortality per 10000 live births	513/100000 live births	560/100000 live births	262/100000 live births	70 per 100,000 live births
Fraction of children under 5 who are stunted	34.5%	34.0%	31.5%	40% reduction in number of children U5 stunted
Access to early childhood development services (Children between 3-5 years)	46% (MICS 2018) 22 % (ESA 2020)	26.0 % in 2018	37.5% in 2018	

Source: World Bank Open Data (accessed Feb 2019); ECD data from UNICEF, 2019 and MoET (2020)

11. **The triple burden of malnutrition amongst children compromises their cognitive and non-cognitive development placing them at a disadvantage from an early age and reducing their potential to escape poverty and to contribute to the socio-economic development of the country.** Two recent studies assessed the quality of early childhood care, development and education (ECCDE) services in Lesotho –the 2018 Multiple Indicator Cluster Survey (MICS) and the Measurement of Early Learning and Quality Outcomes (MELQO) 2019 and found that only 15 percent of children were developmentally on track in the literacy-numeracy domain (i.e., they could do two of the following: identify/name at least ten letters of the alphabet; read four simple and popular words; know the name and recognize the symbols of all numbers from 1 to 10). The child direct assessment part of the 2019 MELQO found that on average, children aged 5 and above attending an early childhood education program were only able to identify less than 2 of 16 letters presented; 22 percent could write their names correctly; and these children could, on average, name less than 3 numbers out of 10 numbers presented to them.

12. **While the triple burden of malnutrition compromises children's cognitive and non-cognitive development outcomes, many of the quality challenges also relate to the outdated ECCDE curriculum,**

a lack of norms and standards for ECCDE services, limited teacher training and gaps ECCDE resources. The current ECCDE curriculum dates to 1998 and is not relevant for the needs of today's society. Further, Lesotho does not have an established Early Learning and Development Standards. Despite the relatively low teacher-child ratio (1:18) for pre-primary education, teacher training is limited. Some of these issues are addressed through the GPE-financed, World Bank supported Lesotho Basic Education Improvement Project (LBEIP), which ends in 2021 and the forthcoming Basic Education Strengthening Project (BESP).

13. **Drought in Lesotho substantially and significantly worsens children's nutritional outcomes.** In particular, the 2015/16 extreme drought reduced the Height for Age, Weight for Age, and Weight for Height z-scores by 2.1, 2.86, and 2.87, respectively. Moreover, these effects are worse for girls compared to boys, especially the Height for Age effects. The estimated consequences of the 2015/16 drought on pre-delivery children's outcomes are equally bad. They show that the 2015/16 extreme drought reduced children' Weight at birth and Height at birth by 0.5 and 1.4, respectively. These effects are worse among boys compared to girls. The findings indirectly assess how insufficiently palliative Government and Donors interventions were during the 2015-16 drought.[7]

14. **In addition to malnutrition, lack of access to clean water and adequate sanitation facilities is another challenge that affects children health outcome and overall development.** Diarrhea is one of the most significant causes of morbidity and mortality amongst children under 5 years old in Lesotho; and it is mainly driven by poor hygiene and sanitation and unsafe water source.[8] Evidence suggests that periodic diarrhea impairs childhood growth and contributes to increased risk of subsequent infectious disease episodes with greater severity. Table 3 shows disparities in access to safe water and adequate sanitation facilities between rural and urban areas and across ecological zone. Overall, rural areas and Foothills and Mountains ecological zones significantly lag behind in the provision water and sanitation services.

Table 3: Rates of Access to Improved Water Supply and Sanitation

	Urban	Rural	Lowlands	Foothills	Mountains	Senqu R. Valley
Using improved sources of drinking water	98.3	83.6	93.9	74.5	79.4	87.5
Access piped water on premises (in dwelling or yard)	70.9	8.2	43.1	4	9.9	12
Using improved sanitation	87.3	64.8	83.0	52.6	53.5	61.7

Sources: UNICEF, 2019

15. **Pregnancy among teenage girls (ages 15–19) is high at 17.8 percent, which is another key factor that affects child survival and development outcomes.** Adolescent pregnancy rates are considerably higher among the poorest girls (25.0 percent), girls with primary or no education (32.0 percent), and girls who live in the Foothills (37.0 percent). Teenage pregnancies are high-risk pregnancies which are more likely to lead to delivery complications; neonatal, infant, and under-five mortality; maternal mortality; and low birth weight, which increases the risk for child stunting. Adolescent mothers are also less likely to attend antenatal care (ANC) services (71 percent of women below the age of 20 attended at least four ANC visits while the corresponding figure for women ages 20 or older was 78 percent), which increases pregnancy related risk to both mother and child (UNICEF, 2019). Children born to adolescent mothers are also more likely to grow up in an unsupportive home environment, have poor cognitive development,

[7] Impact of 2016's drought on nutrition outcomes in Lesotho, 2021 (unpublished)

[8] Institute for Health Metrics and Evaluation (IHME). GBD Compare Data Visualization. Seattle, WA: IHME, University of Washington, 2016. Available from http://vizhub.healthdata.org/gbd-compare. (Accessed October 25, 2018).

dropout of school, be unemployed or underemployed, and if female, become pregnant in their adolescence, thereby cementing the perpetual inter-generational poverty cycle.

16. **Maternal mortality is high in Lesotho, estimated at 516 per 100,000 live births.** While this figure is slightly better than the average from SSA, it about double of the level of LMICs. The root causes of maternal death include unsafe abortions among teenagers and limited access to maternal health service due to geographic (i.e., given difficult terrain and limited transportation service) and economic barriers (Satti, et.al, 2012). The high prevalence of HIV/AIDS is another contributing factor that worsens the risk women face during pregnancy and childbirth due to HIV-related complications (Satti, et.al, 2012). Adolescent girls who reside in rural areas are more likely to contract HIV. Tragically, HIV prevalence is 19 percent among girls and young women who have been physically forced to have sex. The cultural, economic, social, and legal barriers that obstruct girls' and women's empowerment must, therefore, be addressed to ensure that adolescent girls are protected from gender-based violence (GBV) and have access to reproductive health care services (Kalimo et.al, 2018).

17. **The high prevalence of HIV/AIDS in Lesotho also has led to increased burden of co-morbidities, affecting the human capital of the overall population.** A high prevalence of tuberculosis (TB) (581 per 100,000 in the adult population compounds complications related to HIV/AIDS with 70 percent of HIV/TB co-infection) to further deteriorate adults' survival. TB incidence remains one of the highest in the World and the burden of the disease disproportionately affects the elderly (with a prevalence of 1,661 per 100,000), males (849 per 100,000), and the rural population (670 per 100,000). Symptom screening alone are not sufficient to effectively detect cases. It is demonstrated that it would have missed 70 percent of prevalent cases in Lesotho. The use of technology such GeneXpert and Digital X Rays has significantly increased detection of asymptomatic TB cases (GoL, 2019).

18. **Looking at educational outcomes, many children from rural and poor households face significant barrier to stay and complete basic education.** Even though primary school is free in Lesotho, poverty remains a key factor leading to high dropout rate, as there are still indirect costs related to school attendance (such as transportation and school uniforms) that households must bear. Unlike primary education, junior secondary education is not free and the burden of paying for education is disproportionately high for the poorest households, in terms of both direct and indirect costs. Household spending on junior secondary education accounts for 17 and 16 percent of household consumption for households in the poorest and poor households respectively, compared to 7 percent for the richest households. But only 14 percent of children from the poorest households' complete secondary education compared to 53 percent of children from the richest. In terms of ecological zones, 9 in 10 children from Maseru are likely to access secondary education, compared to only 3 in 10 from the rural mountains. Regarding completion, half of the children from urban areas will access and complete primary and secondary cycle and only 1 in 10 children from the rural mountain areas is likely to complete senior secondary education.

Figure 3. Disparities in access and retention in education

Figure 3a. By Income Status

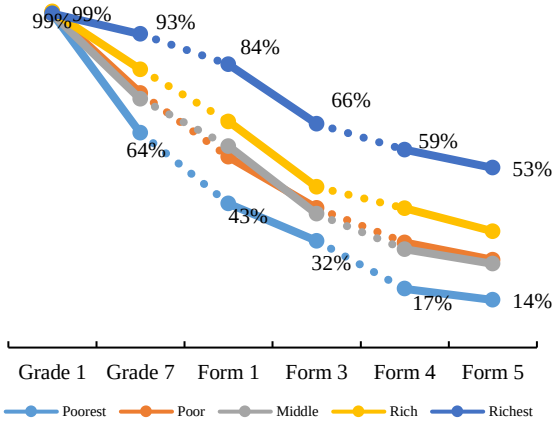
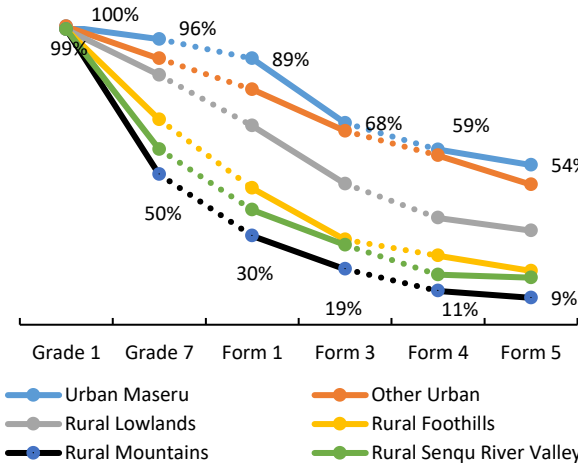


Figure 3b. By Ecological Zone



Source: MoET, 2020.

19. **There is a strong linkage between poverty and the low retention rates at the secondary level.** The figures below present the dropout rates for both males and females and the poverty headcount by constituency in Lesotho. The results reveal that constituencies with higher poverty rates tend to have higher dropout rates among males and females in secondary education. Many children are orphaned and made vulnerable by the impact of HIV/AIDS on their families and communities, which significantly reduces their likelihood to stay in school. Poor students are likely to face multiple challenges, exacerbating inequality in the system. Multiple deprivations faced by the poor include issues of reproductive health, substance abuse, gender-based violence, and domestic violence, among others.

Figure 4. Secondary education retention and poverty rates by constituency in Lesotho

Figure 4a. Poverty headcount by constituency

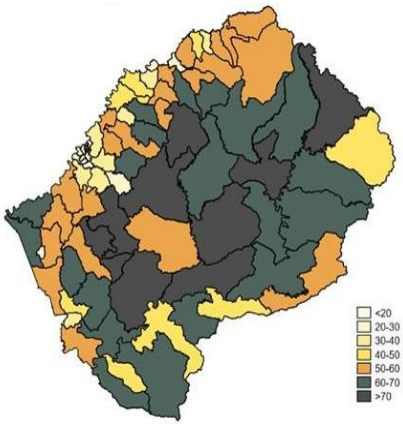
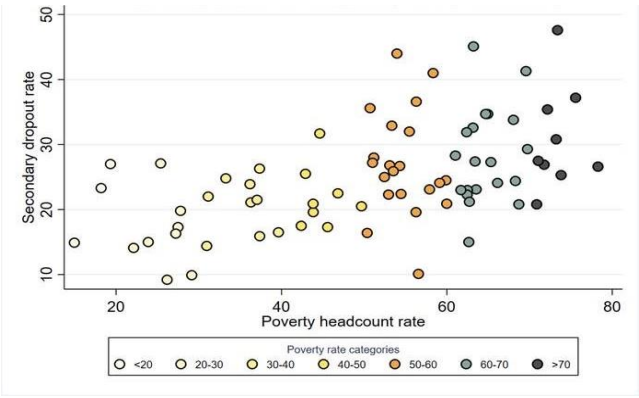


Figure 4b. Secondary dropout rate and poverty headcount by constituency



Source: Dropout data is based on teams analysis of EMIS, 2019 data. Poverty data is based on the Lesotho Poverty Assessment (Sulla, et.al, 2019).

20. **For children who are in school, many of them do not have adequate resources, including teachers.** Ineffective deployment has led to an uneven distribution of teachers across primary and

secondary schools. Weaknesses in teacher deployment implies that student/teacher ratios are inconsistent across schools, leading to vastly different learning conditions for students. A rational teacher deployment system would authorize and allocate teachers to schools based on the number of students involved, leading to a significant correlation between the numbers teachers and students with an R-squared that's closer to 1 than 0. However, this is not the case in Lesotho. For example, Figure 5a and Figure 5b shows the correlation between the numbers of teachers and students is low in primary schools in both rural and urban areas. For example, different schools enrolling about 200 students have anything from 1 to 25 teachers in rural schools. Teacher deployment is only slightly better for urban primary schools. Improved teacher deployment would help align the number of teachers allocated to a school with the number of students in the school, reducing over-crowding in some schools and potentially resulting in more instructional time for learning.

Figure 5: Deployment of teachers in primary schools

Figure 5a: In rural primary schools

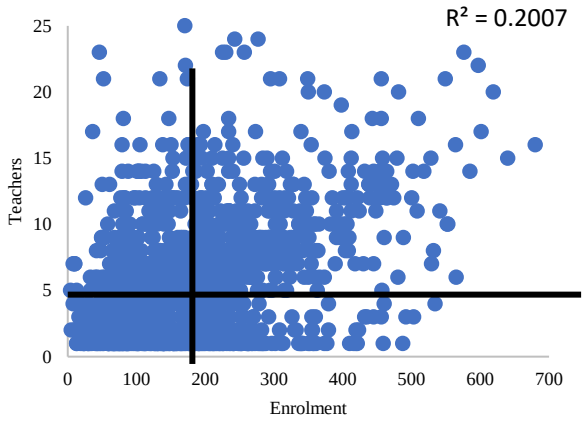
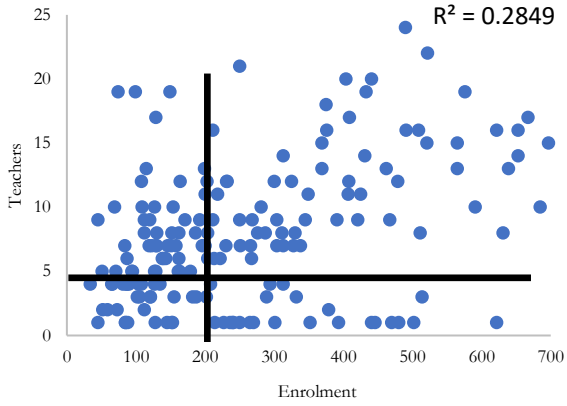


Figure 5b: In urban primary schools



Source: MoET, 2020.

21. **Children and youth have not learned enough by the time they leave school in Lesotho**. The 2018 MICS household survey found that only 45.4 percent of children aged 7 to 14 demonstrated foundational reading skills while only 15 percent had foundational numeracy skills in Lesotho (UNICEF, 2019).[9] The correlation between poverty and poor learning outcomes is even more stark: children from the richest families had better results compared to children from the poorest households with 69 percent meeting competency standards in literacy compared to only 29 percent of children from the poorest families and 23 percent meeting competency standards in numeracy compared to 7 percent of the poorest children (MICS, 2018).

Data on learning outcomes at the secondary level is scarce; however, the available data show some encouraging results in some subject areas including Sesotho. The available data at the junior secondary

[9] Foundational reading skills are measured by completion of three foundational reading tasks in either English or Sesotho where children are expected to correctly read at least 90% of words and in addition provide correct responses for three literal and two inferential questions from a reading comprehension. Foundational numeracy skills are measured by the successful completion of three foundational numeracy tasks, including reading of numbers, discrimination of numbers and addition of numbers, as well as number pattern recognition and completion.

level comes from an assessment conducted by the Examination Council of Lesotho (ECoL) in 2016 as a baseline assessment for the World Bank financed Lesotho Education Quality for Equity Project (LEQEP). The results showed that at the junior secondary level, learning outcomes in Sesotho were encouraging with over 76 percent of students demonstrating competency, while 51.6 percent of students reached competency in English. On the other hand, learning outcomes were weak in Mathematics and Science, with only 26.3 percent of junior secondary students reaching the required competency level in Mathematics and 32.4 percent of students in Science.

22. **Once young people leave school, only a small fraction continues into higher levels of education, even though there is a strong correlation between education attainment and labour market outcomes.** Continuous Multipurpose Household Survey and the Household Budget Survey (CMS/HBS) data of 2017/18 show that employment rates of technical training and higher education graduates are 15 to 20 percentage points higher than those of secondary school completers, and that unemployment rates are lower than for youth entering the labour market with at least completed primary education. The average annual salaries of a vocational and technical qualification holder were about M67,100 in 2017/18, double of what the average senior secondary completer earned and almost three time the salary of junior secondary completers. Furthermore, only 12 percent of technical and vocational education and training (TVET) completers were found to be poor, a markedly good outcome compared to secondary school completers (MoET 2020).[10] But access to formal TVET and tertiary education is limited in Lesotho and of those who do attend, very few are considered poor - less than 4 percent of students attending higher education come from the bottom two wealth quintiles.

Table 4. Employment and Underemployment by Education Level

Education attainment	Employment rate	Unemployment rate	Under-employment rate
No education	76%	8%	38%
Incomplete primary	64%	11%	35%
Complete primary	57%	14%	36%
Lower secondary	50%	15%	31%
Upper secondary	53%	22%	26%
Vocational	51%	16%	51%
Technical Training	68%	12%	27%
Higher education	71%	12%	23%

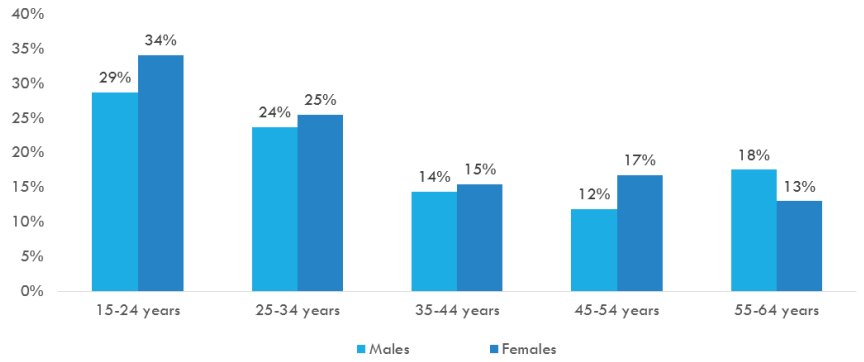
Source: MoET, 2020. Data based on CMS/HBS 2015/16

23. **Unemployment, inactivity, and poverty mark young Basotho deeply.** Youth in Lesotho are disproportionally affected by unemployment (Figure 6) and according to the International Labor Organizations (ILO) estimates, youth unemployment in Lesotho is among the highest in the world, and three times higher than the average rate observed in other LMICs. The picture is even more dismal when one accounts for inactive or discouraged youth: almost 29 percent of adolescents aged 15-19 and 44 percent of young adults aged 20-35 are not in employment, education, or training (NEET) (Bureau of Statistics. 2018). Lack of productive employment results in high vulnerability to poverty, with approximately half of the youth living below the poverty line (Sulla, et al., 2019).

Figure 6. Youth is disproportionately affected by unemployment[11]

[10] However, low poverty incidence among TVET completers is likely to also reflect the fact that most TVET students come from the highest income quintile of the population.

[11] The figure refers to the narrow definition of unemployment, i.e., unemployed people actively seeking for job.



Source: CMS/HBS 2015/16

24. **The employment challenge is more severe among Basotho living in rural areas, those with low levels of education, and young women.** Sixty-three percent of young Basotho live in rural areas, and 72 percent of them have not completed secondary education (Bureau of Statistics. 2018). Young Basotho living in rural areas have less access to job opportunities compared to youth living in urban areas and when employed, they are less likely to end up in wage employment which is usually associated with better-quality jobs. Only 21 percent of employed youth in rural areas are in wage employment, versus 54 percent among urban youth. Labor outcomes among youth are also positively correlated with educational attainment. Although women in Lesotho tend to have better education outcomes, this is not translated to the labor market, with unemployment being significantly higher among women than men.

25. **Fragmentation of Active Labour Market Programs (ALMPs)/youth employment programs hinders the effectiveness and efficiency of the policy response.** For youth who are considered 'vulnerable' and who do not have access to jobs, there is a myriad of ALMPs/youth employment programs offered by the Ministry of Gender, Youth, Sports and Recreation (MGYSR) and several non-government organizations (NGOs). However, most programs are very small in scale (reaching between 6 and 1,000 beneficiaries per year),[12] are uncoordinated and many programs have overlapping/duplicative rather than complementary interventions.

26. **Poverty and poor outcomes in health, education and employment are particularly affecting individuals living in rural areas and this disadvantage is further compounded by a lack of basic infrastructure services in these areas.** The poor experience multiple deprivations, and this reinforces and perpetuates poverty, particularly in rural areas. Constituencies with low access to basic infrastructure tend to have higher poverty rates, and consequently, low human development outcomes. This underscores poverty as a barrier to access basic services and a contributor to and/or a result of resource inequality. In addition, the patterns highlight the need for the Government to address the constraints, for example, of affordability or infrastructure, which limit access by the poor. Overall, the spatial pattern of access to basic services and infrastructure suggests that accelerating poverty reduction and shared prosperity in Lesotho hinges disproportionately on addressing key constraints to ensure that lagging rural regions are more productive and create economic opportunities for the poor. The identification of constraints to reducing rural poverty, as well as policies that can be leveraged to maximize impact on lagging rural regions, is therefore critical to Lesotho's efforts to accelerate poverty reduction and boost shared prosperity.

[12] For example, the public works and the tertiary bursaries programs.

Capacity constraints and weak accountability systems

27. **The low capacity of teachers is a key factor resulting in poor learning outcomes of students.** The limited available data and evidence on teachers shows that there is a significant capacity gap in Lesotho. In recent learning assessments[13], teachers perform only slightly better than students. For example, among primary school teachers, only 51.4 percent demonstrated competency in literacy. Among junior secondary school teachers, the average correct-score rate was 49.5 percent in Mathematics, 41.7 percent in Biology, 66.3 percent in Chemistry and 52.3 percent in Physics. The low teacher content knowledge raises questions about teacher hiring and performance assessment policy and practice, which needs to be much more focused on teachers' competency (in particular given that teachers' pay in Lesotho is high, especially relative to the country's GDP per capita). Another issue is the lack of quality continuous professional development support is another key issue that affects the quality of individuals that are motivated to join the teaching workforce. The MoET capacity to develop and provide structured and effective in-service training and follow up support for teachers is weak. Most in-service trainings provided at scale tend to be once-off and there are serious concerns about the quality of the program, the materials and capacity of trainers.

28. **The education system is mired with low capacity of teachers and insufficient systems in place to promote better accountability by teachers.** Despite a large percentage of the education sector budget going to teachers (81 percent of recurrent expenditure for primary education and 99 percent for secondary education), there have been teacher strikes in 2018/2019 primarily related to a wage dispute, resulting in schools being closed for prolonged periods. The school closures as a result of these strikes have dealt a huge blow to learning in Lesotho and may have also contributed to households' and children's lack of interest in education and the resulting increase in dropout rates observed in the last two years. Schools were also closed since March 2020 due to the COVID-19 pandemic and remained closed for almost a year (except grades where students write examination which opened on and off from September 2020), resulting in the education service delivery being severely disrupted over the last three years. Aside from these closures of schools, there are no institutional systems to periodically measure teacher content knowledge and pedagogy, teacher absenteeism, the amount of time teachers spends in the classroom teaching, and tracking teacher deployment, training, and professional development. Without these accountability systems in place, it would be challenging to assess whether teachers are being efficiently and effectively used to support teaching and learning in the education system.

29. **Teacher salaries as a proportion of GDP per capita are higher than those of other countries in the region.** On average, the salaries for teachers in primary schools are 6.3 times the GDP per capita, and 8.3 times GDP per capita for teachers in secondary schools. Lesotho is one of the highest paying among comparator countries. For all countries in Africa, the average salaries for primary school teachers were 3.7 times GDP per capita, while those of secondary school teachers were 5.4 times GDP per capita. The Government of Lesotho should reconsider the wage structure of new teachers entering the system, given the pressure on the fiscus could probably not accommodate the growth in the number of teachers as the system becomes more efficient. i.e., more children stay in school and transition to secondary education and as the public education to support more children in pre-school.

30. **The social protection system suffers from constraints mainly related to limited program coordination and weak management information and information technology systems.** Administrative systems to support social assistance programs remain largely manual, though the Ministry of Social

[13] The 2018 Examination Council of Lesotho Baseline Assessment conducted in a national sample of 142 schools and 262 primary school teachers.

Development (MoSD) has been working on integration of the administrative mechanisms of all social safety nets. Currently, program enrolments are managed at different Governmental levels. For instance, most Public Assistance (PA) beneficiaries apply at the district office, where they fill in an application form, accompanied by a referral letter of the village chief. Old Age Pension (OAP) applicants submit applications through local government offices of the Ministry of Finance. Selected beneficiaries are enrolled in the Child Grant Program (CGP) on an annual basis at a central point within the Community Council.[14] Most programs lack digital Management Information System (MIS) systems or have limited capacity for updating at decentralized levels. An integrated MIS needs to be developed and tested for all MoSD programs that links central, district and local offices, with electronic entry of client application information and client documents. The staffing in the MoSD is especially weak in the areas of IT, data management and monitoring and evaluation. For most programs, there is no regular schedule for recertification of beneficiaries and many beneficiaries remain on the rolls for years. Until recently, there was no systematic proof of life verification by the OAP administration, with exits relying on a certificate from the village chief in cases when the beneficiaries do not collect the payment in person. This practice had led to considerable suspect ghost beneficiaries, estimated at 20-25 percent of total beneficiaries for a total loss of over M150 million (roughly US$ 10 million dollars) per year. There was an extensive proof of life exercise for the OAP done in 2019-20. With more integrated and digital systems social protection could more easily expand to cover more poor households. To date, 13.5 percent of the poor report not receiving any transfers.

31. **Moreover, payment for social assistance transfers in Lesotho is costly and payment systems are not secure.** Most social assistance payments are mainly case-based and made via district offices and the G4S security company cash in transit services, and even by helicopter to remote regions. As such these remain relatively expensive, in part as a result of Lesotho's topography, which includes hard-to-reach areas, and limited penetration of rural banking, made difficult by lack of electricity among other factors. In 2017, only 46 percent of the population aged 15 and over had an account at a financial institution or access to mobile money. Evaluations found that the costs of cash in transit are 1.5 to 7 times higher than the costs of mobile payment deliveries.[15] Beyond payment costs, some payments are often late, for example, the Orphans and Vulnerable Children bursaries (OVC-B) often arrive well after the school year has started, putting strains on school finances. Assessments of the MoSD management information system reveal that the ministry's payment system has several weaknesses which make it possible for payment lists to include human errors and are subject to manipulations. There are no secure weblinks between the ministry and payment providers. To improve the efficiency of payment mechanisms, programs are increasingly looking to move from cash to electronic payments (mobile money, bank transfers, etc.), and to ensure transfer of funds on a predictable and agreed schedule.

32. **These constraints, among others, also restrict the responsiveness of the social protection system to shocks, limiting its ability to protect the human capital of affected households.** Lesotho has scaled up cash-based assistance through the Child Grants Program in response to drought (2016 and 2019/20) and COVID-19, providing a strong foundation for the further development and institutionalization of shock responsive social protection in the country. However, the assistance has tended to reach a limited number of households relative to those in need, including amongst the poorest and those that are food insecure; the benefit amounts are low relative to estimated food deficits; the assistance tends to arrive late relative to the onset of a shock. Global evidence shows that if assistance is not timely and adequate, poorer households in particular often adopt negative coping strategies to smooth consumption, including reduced food consumption (quantity and quality), removing children from

[14] Community Council is an administrative division in Lesotho.
[15] Economic Policy Research Institute, 2020.

school and divesting in healthcare, all of which can lead to a deterioration in human capital[16]. Prominent gaps in the social protection system in Lesotho that need to be addressed to increase its responsiveness to shocks include: overlapping post-shock coordination mechanisms between the MoSD and the Disaster Management Authority (DMA); a lack of contingency planning within MoSD to define the parameters of response interventions as well as roles and responsibilities for delivery, along the delivery chain; limited use of early warning information as the basis for triggering faster responses to hydrometeorological shocks; a lack of risk financing instruments linked social protection programs to provide quick liquidity for post-shock cash transfers.

33. There is a lack of qualified staff, preparedness to deal with patients, and drug shortages within health facilities in Lesotho. For example, only 6 out of 20 secondary hospitals (where nearly half of deliveries occur) provided comprehensive emergency obstetric and newborn care (CeMONC) to ensure safe delivery.[17] A lack of qualified staff, the state of hospital facilities and a general negative perception of service quality have contributed to a low average bed occupancy rate of 32 percent in public district hospitals (UNICEF, 2017). The low quality and sub-optimal utilization of facilities at the district level overwhelms tertiary level facilities, averaging a 74 percent bed occupancy rate. To improve infrastructure and availability of care, the Millennium Challenge Corporation has upgraded and equipped 138 of 145 health facilities,[18] but facilities still report equipment gaps.

34. **The Ministry of Health (MoH) has significantly delayed the approval of its policy, strategic, and legislative documents.** In the last decade, the MoH has had several challenges with the development, revision and approval of policies as well as enactment of legislations. There are several health bills and strategic documents (plans) in various stages of development. The Government has also delayed translating some other draft policies into guidelines, i.e., the minimum benefit package of health services and referral guidelines. These draft documents diagnose poor management of health service outsourcing (including Public-Private Partnerships), and low capacity in terms of Human Resources that prevent the MoH from reaping the envisaged benefits of such arrangements. They indicate that a functional Health Information Management System, currently mainly supported by donors, needs further strengthening. Finally, the active public health order in Lesotho was adopted in 1970. In the meantime, there has been changes in public health issues, demographics, and available scientific knowledge. The active law still refers to outdated institutional and governance structures, and to a less complex legal regime, nationally and internationally. A revised public health bill is warranted to update the institutional arrangements in the sector, local authority's health services functions and powers, health emergency preparedness and response, disease prevention, as well as licensing and accreditation.

OPPORTUNITIES TO STRENGTHEN HUMAN CAPITAL DEVELOPMENT AND SERVICE DELIVERY

Continue to focus on improving Early Childhood Care, Development and Education, especially for the poor

35. **The Government of the Kingdom of Lesotho is starting to prioritize ECCDE services but more needs to be done.** The MoET led the development of a National Policy on Integrated Early Childhood Care and Development in 2013, which prioritizes the development, health, education, nutrition, hygiene, and protection of young children from preconception to age five. An associated five-year Strategic Plan was

[16] E.g., Hallegatte et al. 2016.
[17] CeMONC Report 2015.
[18] A United States Government financed infrastructure program targeting health, education, and water.

developed in 2013 to guide the full implementation of the Policy but has not been updated in recent years. The MoET is currently in the process of revising the 1998 ECCDE curriculum for children between the ages of 0 to 5 years to reflect national and global policies pertaining to play-based learning and child development. The Government further established reception classes (Grade 0) in 2006 which are attached to public, community, and church primary schools. These classes provide one year of free pre-primary education for 5-year-old children and are fully supported and supervised by the MoET. Currently, less than one in five primary schools has a reception classroom, and while results from the 2018 MELQO study and recommendations from the Better Early Learning and Development at Scale (BELDS) point to the expansion of reception classes to increase access, the Government needs to consider the development of a costed expansion strategy, which includes private providers given the needs in the country and limited public resources.

36. **The extensive network of Village Health Motivators (VHM) and social workers in Lesotho also offer the opportunity to provide maternal and child health services in homes** where parents, caregivers, and other adults and children interact with young children. Children living in poor and vulnerable homes and with parents and caregivers with lower levels of education often do not have the same pre-conditions for being able to learn and grow. Therefore, support to poor households to help them invest in their young child's development is necessary already at an early age. This network of VHMs and social workers who work in communities are a huge resource in terms of providing support to families, help provide awareness and stimulate and enable behavioural change for parents and caregivers to adopt practices associated with improved nutrition, sanitation, health seeking behaviour, antenatal care, early childhood stimulation etc. which have been shown to have positive impacts on the development of young children.

Spending on social services is relatively high but could be better targeted and more efficient

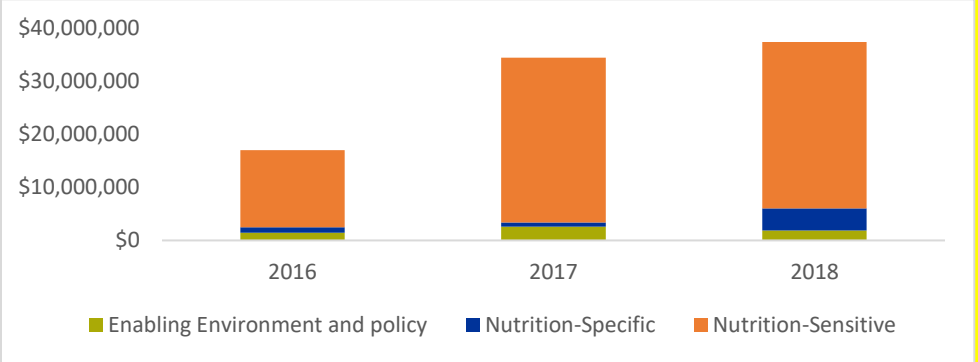
37. **Lesotho allocates a relatively large amount of its public resources to education, health, and social protection but resources are not allocated equitably.** Lesotho spends a significant share of its resources on education. In 2018/19, education spending accounted for 19 percent of total government spending, the highest among all ministries in Lesotho. The share of education spending in GDP was 8.9 percent of GDP in 2018 which is higher than the average for the region, ranging between 6-8 percent of GDP. The share of the education sector budget allocated to ECCDE is less than 0.3 percent, while the corresponding figures are 43 percent for primary education, 23.5 percent for secondary education and 28.7 percent for post-secondary education. The share of spending on post-secondary level in general benefits the non-poor, such as the tertiary education bursaries, as the poorest children rarely complete secondary education and access tertiary education (less than 4 percent of students attending higher education come from the bottom two welfare quintiles). There is room for better allocation between education sub-sectors to target the poorest beneficiaries of education services, as well as for better accountability of service provision (e.g., for teachers as mentioned above), and targeting of resources to rural, poor households.

38. **Lesotho spends the most on healthcare among Southern Africa Customs Union (SACU) countries, however, outcomes remain poor signaling efficiency gaps**. The health budget allocation represents about 13 percent of the total government budget, and 6.2 percent of GDP for 2019/20 (UNICEF, 2019), but there is mismatch between spending and health outcomes due to the following factors: (i) low execution of the development budget – mostly from development partners; (ii) poor alignment between development partner and government systems: coordination of external financing has not been efficient and suffers from a high risk of duplication; (iii) low capacity of the Government to manage non-governmental suppliers that the Government outsources a large share of health services to;[11] (iv) low fiduciary capacities at both central and decentralized levels in the health sector; and (v)

weaknesses in staffing at the MoH. Recurrent expenses in the health budget declined from 92.5 percent in 2014/15 to 80.6 percent in 2019/20, signaling a shift towards rebalancing financing to procure health equipment and supplies.

39. **In 2018, the total per capita spending on nutrition in Lesotho was US$18, with lion share coming from the Government through mainly nutrition-sensitive expenditure.** The government contributes over 90 percent of the total nutrition spending in Lesotho and performs better than peer countries in the region. Total spending on nutrition from both government and donors on nutrition-specific interventions ranged from US$4.60 to US$7.90 per child under five years between 2016 and 2018. This level of spending though higher than many countries in the region is less than the recommended US$10 considered as the minimum needed to meet the costs of a package of nutrition-specific interventions. Though the Government of Lesotho is the largest source of nutrition financing in the country, with expenditures increasing from US$15.5 million in 2015 to US$32.6 million in 2019, most of the government spending on nutrition is on nutrition-sensitive activities such as school-feeding programs (see Figure 7). [19]

Figure 7: Lesotho total nutrition spending by classification, 2016-2018



40. **The level of public spending on social assistance is high and there is room to improve the composition and increase efficacy and efficiency of the social protection system.** Public expenditure on social protection in Lesotho is 6.4 percent of GDP (14.3 percent of total government spending) of which 1.8 percent is spent on university bursaries and 1.1 percent on school feeding. The schools feeding program is by definition universal. University bursary program is not explicitly targeted and benefits overwhelmingly students from better off households. The spending on social protection is relative to GDP is higher than in most countries in Sub-Saharan Africa, yet coverage of the poor in Lesotho is limited, and the administrative systems are antiquated and lead to expensive implementation. Two percent of GDP goes to the universal Old Age Pension; the initial assessment has indicated that beneficiary rolls may include up to 20 percent ghost beneficiaries. The World Bank financed Social Assistance Project has supported the cleaning of the rolls and development of a modern record keeping and management information system. The Child Grant Program (CGP - 0.22 percent of GDP) is the only transfer that is poverty targeted with proven impact, but it is implemented in just over half the country and the resources allocated to it are very small. Over the past few years, the Ministry of Social Development (MoSD) – which has a mandate to assist the most vulnerable populations – has made progress in supporting the poor and vulnerable through their lifecycle: efforts have been made to increase the efficiency of social assistance through an improved targeting mechanism and improved administration of programs (supported by the World Bank Social Assistance Project).

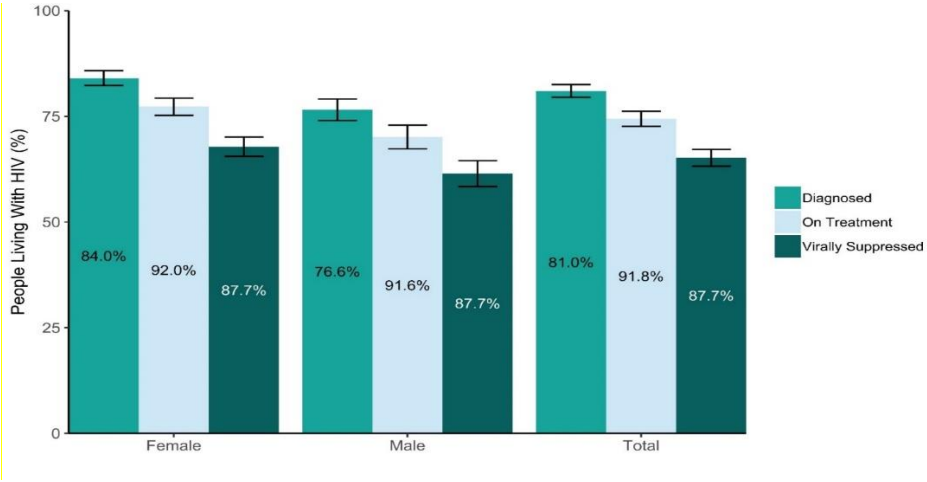
[19] Lesotho public nutrition expenditure analysis, 2021 (unpublished)

Build on progress made in the recent past

41. Lesotho has an opportunity to build on achievements made in the health, education, and social protection sectors since 2015, and some of these achievements are highlighted below

42. ***Health:*** **The MoH has partnered with development partners to finance major investments in the health sector.** The Millennium Challenge Corporation (MCC) has rebuilt all the health centers and refurbished many district hospitals. A quality improvement initiative using a performance-based financing system (World Bank-sponsored) has put a focus on the quality of care. Such initiatives need to be broadened and sustained. The MoH was the first adopter of the "HIV/AIDS Test and Treat" initiative (April 2016) in Sub-Saharan Africa. On the UNAIDS ambitious 90–90–90 objective stating that by 2020, 90 percent of all People Living with HIV (PLHIV) will know their HIV status; 90 percent of all people with diagnosed HIV infection will receive sustained antiretroviral therapy (ART); and 90 percent of all people receiving ART will have viral suppression, progress are encouraging. On diagnosis, about 81.0 percent of PLHIV ages 15 to 59 years report knowing their HIV status: 84.0 percent of HIV-positive females and 76.6 percent of HIV-positive males know their HIV status. On Treatment, among PLHIV ages 15 to 59 years who know their HIV status, 91.8 percent report current use of ART: 92.0 percent of HIV-positive females and 91.6 percent of HIV-positive males who know their HIV status report current use of ART. On Virally Suppressed, among PLHIV ages 15 to 59 years who report current use of ART, 87.7 percent are virally suppressed: 87.7 percent of HIV-positive females and 87.7 percent of HIV-positive males who report current use of ART are virally suppressed.

Figure 8: 90-90-90 HIV/AIDS objectives performance in Lesotho



43. **Equity in health outcomes is on the right track.** Fertility, maternal,[20] neonatal, infant and under-5 mortality declined along with their inequity levels. Improvements are recorded on the 90-90-90 UNAIDS HIV-related targets (ICAP, LePHIA 2019). As per a World Health Organization (WHO) assessment, Lesotho is on track to achieve the 2020 tuberculosis eradication milestones (WHO 2020). However, disruption of health services due to COVID-19 pandemic is putting at risk this progress. Therefore, besides ongoing efforts to combat HIV/AIDS, there is a need to adopt and expand the use of advanced technologies (GeneXpert and digital X-Ray) to detect TB cases. Close monitoring and enforcing adherence to the TB screening using technology in all eligible facilities would enhance detection rate's effectiveness. With a TB

[20] Maternal mortality remains unacceptably high.

treatment success rate of about 76 percent, this will constitute a major increment in adult survival in the country.

44. **An effective Village Health Workers (VHWs) platform represents an opportunity for community-based nutrition and health service delivery.** There are about 10,000 VHWs who offer health services at the community level, focusing on health promotion and disease prevention. VHWs support individuals, families, and communities in the prevention, treatment, care and support, rehabilitation, palliative care, and promotion of healthy lifestyles. VHW coordinators are housed at every health center. VHWs engage with community-based organizations and Agriculture Extension officers in addressing nutritional issues in the community, particularly infant and young child nutrition.

45. ***Social protection:*** **Lesotho can build on the advances made in reforming social protection.** First, the *NISSA* social registry and targeting system has been expanded to cover all 64 rural community councils across the country and is currently in the process of being rolled out in the urban councils. This means that social assistance programs can objectively identify the poorest and most vulnerable households and programs to provide support to.[21] It is also a cornerstone for shock responsive social protection, facilitating targeting and coordination of post-shock assistance, for the government as well as for non-government partners. Second, payment systems are in the process of being harmonized by using the same payment cycle and pay points. However, moving to digital payments, which is estimated to be much cheaper and a faster way of reaching households is needed, especially in urban areas where connectivity and access to mobile phones and payment agents is relatively high (rural and mountain areas have no electricity). Third, over the past two years, the OAP program has undergone several reforms to improve its transparency, equity and administrative efficiency. A new MIS has been built and is almost ready to be launched.[22] Fourth, technical work is underway to introduce a way of proxy-means-testing mechanisms for the Tertiary Education Loan Bursary program to improve the equity of the distribution of bursaries to young people.

46. ***Education:*** **In the education sector, there are signs of improvements in Mathematics and Science education as a result of an innovative technology-based pilot that has been implemented in targeted junior secondary schools**. The Ministry of Education and Training (MoET) has successfully piloted the Progressive Mathematics Initiative- Progressive Science Initiative (PSI-PMI) model, which has a strong online teacher training component. Through this pilot, promising results have been documented including with respect to teachers' preparedness for classroom instruction, increased time allocation for student centered instruction, and a higher level of engagement from students. Building on the success of the pilot and incorporating lessons learned, the MoET is planning to scale-up the online teacher training component of the PSI-PMI model.

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[21] The Child Grant Program (CGP) exclusively uses the National Information System for Social Assistance (NISSA) for targeting and the OVC program is in the process of doing so. NISSA was also effectively used as a targeting tool during the 2019/20 drought response when programs used it to identify new households that would benefit from additional temporary support. Once NISSA is available in urban areas later in 2021 the ability of safety net programs to identify poor households and scale up in response to a shock will be improved.

[22] The system includes automatic and regular cross-check of pensioners' data with the civil-servant pensions database and the Ministry of Home Affairs (MoHA) national ID system to ensure that only eligible people receive the pensions. Moreover, the Pensions Department has identified many unverified payments to dead or otherwise ineligible people who have gradually been removed from the payroll. The last effort to remove those who could not be identified during the Proof-of-Life exercise undertaken in November 2019 to January 2020 was finalized by the Pensions Department in December 2020. The OAP program is scheduled to move to MoSD on April 1, 2021 (pending Cabinet approval) and plans are being reviewed for its new MIS system to become interoperable with the MoSD MIS systems and databases.

47. **Lesotho is also making encouraging progress towards strengthening communities' involvement in the management of schools by establishing and institutionalizing School Based Management Committees (SBMCs).** Through the ongoing projects, over 400 functioning SBMCs in schools serving some of the poorest communities in Lesotho have been established. These SBMCs, which consist of key actors in the community and at the school level, have been trained to collectively work towards retaining students, including by developing and implementing relevant School Improvement Plans (SIPs). Moving forward, the MoET is working towards further strengthening the role of SBMCs in ensuring students remain in school and that they are learning. In this regard, the MoET is collaborating with Ministry of Social Development (MoSD) to enhance the role of SBMCs in liaising between communities and schools to support children from poor households who are beneficiaries of social protection programs such OVC-B program to enroll and stay in school.

48. **There are also several existing initiatives and extracurricular programs to support boys and girls to stay in school which can be strengthened and scaled-up.** These programs and initiatives use a "safe-space" approach to empower adolescent girls and boys and enable them to make informed decision as they transition into adulthood by giving them relevant information and life-skills. They complement the regular Life Skills Education Program, which is implemented in all secondary schools, by providing a safe space for young people to learn from their peers and mentors. These programs generally provide information on the benefits of education, equipping youth with critical life-skills (e.g., conflict resolution, self-determination, confidence, negotiations, and leadership), and health awareness (e.g., basic health, nutrition, reproductive health, basic hygiene, menstrual hygiene management (MHM)). These support clubs also serve as platforms to raising adolescents Gender Based Violence (GBV) and Sexual Exploitation and Abuse (SEA) awareness (e.g., approaches to prevent, mitigate, and respond to GBV/SEA and linkages to a referral system for additional social services). Some of these initiatives include Herd Boys', 'Help Lesotho' and 'Skills Share' programs as well as work done by 'Hub' that support interventions to keep students in school. These programs and interventions are yet to be evaluated to ascertain their effectiveness on improving student retention.

PRIORITY POLICY AREAS TO STRENGTHEN HUMAN CAPITAL AND SERVICE DELIVERY

49. **Overall, investing in human capital through multiple interventions is critical throughout the life cycle to maximize the life-time potential of individuals and improve positive intergenerational effects, and at the aggregate level, boost economic productivity and growth opportunities.** At the population level, sound investments in reproductive health, health systems, education, social protection and water and sanitation can trigger a demographic dividend that can contribute to a longer period of growth (Bruni, Rigolini and Troiano, 2016; Velenyi, 2016). To maximize efficacy of resources invested in these programs, a strong harmonization and coordination of interventions across sectors is a must. Co-location of human development initiatives at the local level and building on existing initiatives that support greater linkages and coordination between multiple implementing entities are key in strengthening human capital.

50. **Improving human capital development outcomes requires a focus on improving social and economic outcomes for individuals from birth through to adulthood.** Typically, and Lesotho is not an exemption, social services are delivered through dedicated government agencies, for quality and efficacy reasons. But the results suffer when programs and institutions work in silo, with little or no coordination across institutions, agencies, and programs. Strengthening human capital outcomes requires a holistic response to the multiple and varying needs of individuals. That means enhancing the coordination of services towards a more individual-centered service delivery model, which is more flexible and harmonized across different sectors. It requires a change in the mindset and delivery of services in a

manner that reflects the 'whole of government approach' by harnessing cross-sectoral synergies. This can entail, for example, coordinated planning, the use of common targeting criteria and tools to reach vulnerable populations, sharing digital platforms and developing interoperable systems to manage and trace social service delivery more effectively and efficiently.

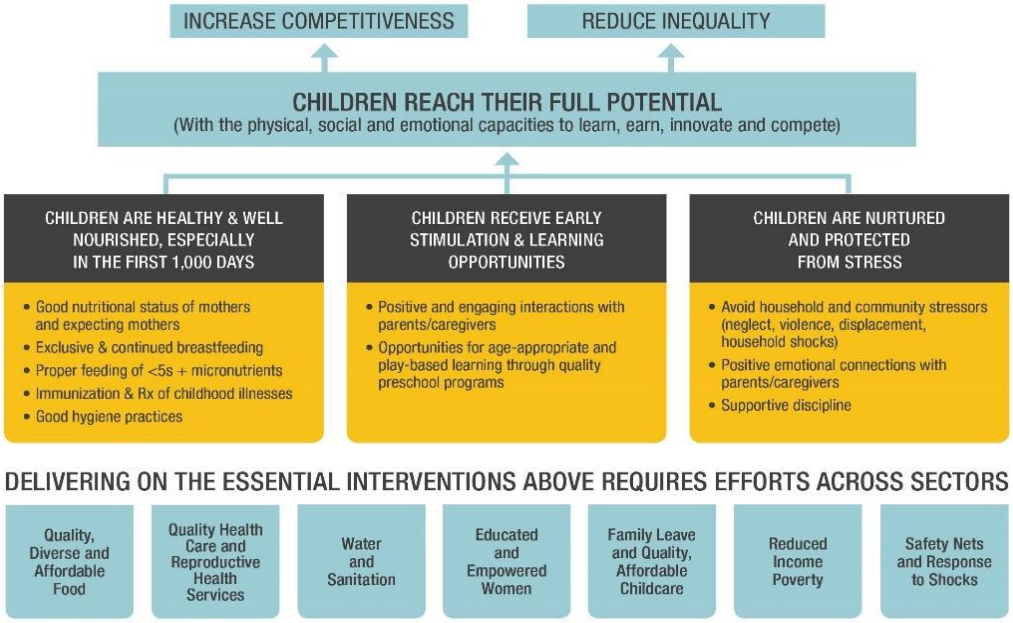
This individual-centered and holistic service delivery approach focuses on three stages of an individual's lifecycle: (i) early childhood, (ii) school-going ages, and (iii) youth to adulthood. There are many sectors involved in delivering services for individuals from pregnancy to adulthood. The three main sectors key for achieving human development outcomes are: health, nutrition, education, and social protection, which are the focus of this framework, through access to other basic infrastructure services such as water and sanitation, electricity, housing, and roads, adequate are also key. Improving governance and strengthening significantly accountability and performance measurement mechanisms in each of the sectors and the public sector as a whole is also very important. Finally, without robust macro-fiscal management, strong institutions, private sector growth and good jobs creations, poverty and inequality reduction will remain an elusive aspiration, without resources to invest in human development perpetuating the vicious circle of low human capital – high poverty and inequality and vice versa. Interventions to strengthen human capital through a life-cycle approach also need to be complemented with the provision of basic services to poor households in rural areas of Lesotho including the provision of universal access to safe water, sanitation and hygiene (WASH) and improving hygiene practices, access to basic housing, energy and transportation.

Policy priorities for early childhood

51. The period to intervene to improve child development begins before birth and runs through the transition to primary school (roughly age 0-8 years) and encompasses everything a child needs to survive and thrive, i.e., strong physical, cognitive, and socioemotional development. Investments should center around three pillars[23] that help children reach their full potential: (1) children are well nourished and healthy; (2) children receive early stimulation and learning opportunities from birth onwards; and (3) children are nurtured and protected from stress. To achieve these outcomes for young children, a range of interventions are needed from both the traditional human development sectors (health and nutrition, education, and social protection) and from complementary critical sectors, including water, sanitation, and hygiene (WASH), agriculture, and infrastructure, as described in Figure 4. In addition to the key interventions that children need, efforts to support pregnant women and adolescent girls, as well as additional efforts to promote ECD-related women's empowerment, are essential to ensuring better child outcomes.

Figure 9. Investing in the Early Years Framework

[23] Investing in the Early Years Framework (World Bank, 2016).

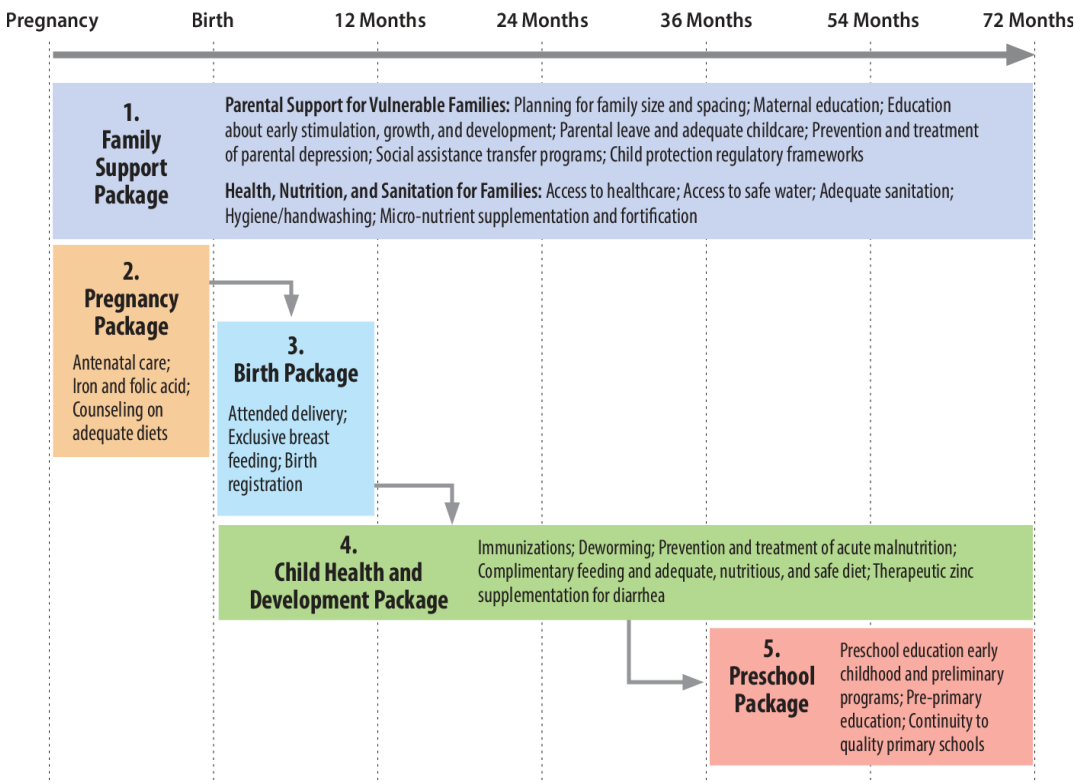


Source: World Bank (2016)

52. **Moving forward, Lesotho should consider the package of services it can offer to children to address their varying needs**. One way to think about it is around various packages of services (based on priority interventions) offered at different stages of a child's life – in the household and at service points - as depicted in the figure below. This framework, developed by Denboba et al. (2014), describes the integrated package of services provided to children and their families from pregnancy through 5 years of age. Introducing a "follow-the-child" system whereby the various services and supports provided to children and youth (especially those from poor households) – from pregnancy to adulthood – are linked and tracked would be important. Social registries with an application for local service providers to monitor the services which reach the child at each age would help coordination of local service delivery.

53. **A customized framework can support the development of an integrated strategy for early childhood development service provision.** Strengthening the institutional framework to improve coordination and collaboration between multiple Ministries involved in the delivery of different services for children and pregnant mothers, including the Ministry of Education and Training, Ministry of Health, Ministry of Social Development, Ministry of Agriculture and Food Security, Ministry of Local Government and Chieftainship Affairs, Ministry of Water, Ministry of Home Affairs. There needs to be a single coordinating agency in place to ensure there are more programmatic approaches to address early childhood care and development across human development sectors. For example, ensuring that developmental milestones form part of health programs, education programs reach out to children below the age of 3, and social assistance grants are tied to development outcomes. Strengthening data collection and management systems is a first step towards improved coordination, monitoring and accountability of the early childhood care and development sub-sector.

Figure 10. Integrated Package of Services for children and households with children under the age of 5



Source: Denboba et al, 2014

54. **Well-targeted investments to improve nutrition status of all Basotho, particularly young children in their first 1,000 days.** This is key to breaking the intergenerational cycle of malnutrition and poor health and contribute to Lesotho's human capital. Some of these investments include: (i) mobilizing the VHWs program's platform to scale up community-based health and nutrition services provision to adolescents, mothers, and children. This includes programs such as infant and young child feeding (IYCF) counselling services through mothers breastfeeding support groups, and the nutrition clubs for complementary feeding. VHWs an also provide information to mothers/caregivers of children from birth to age 3 on the importance early childhood stimulation, immunizations, feeding practices and the overall child development as well as, if required, provide referrals to health facilities; (ii) further addressing the adolescent health gap by implementing counseling and health service delivery programs in formal and non-formal education centers; (iii) extending the Health Management Information System to include community-based health and nutrition information; (iv) conducting Social Behavior Change Communication campaigns on malnutrition and Non-Communicable Disease (NCD) risk factors; and (v) ensuring that mothers/caregivers of children from birth to age 3 in poor households receive adequate social assistance support such as through the CGP program plus an infant grant; (vi) advocating for an extra levy on soft drinks and tobacco. Additional resource should prioritize funding for nutrition-specific interventions for infants and young children less than two years old. Palliative measures against foreseeable droughts should be prioritized to avoid the "too little-too late" scenario.

55. **Expanding access to good quality ECCDE services, especially for children in rural, poor communities.** This would entail: (i) additional allocation of financing to this sub-sector which could mean additional financing to the education sector, or more realistically, intra-sectoral reallocation of financing from tertiary education- which mainly benefits the non-poor- to ECCDE; (iv) collecting information on child development and learning outcomes on a regular basis to monitor progress; (ii) introducing "Cash Plus" measures to link the CGP grant to better invest in human capital; (iii) rolling out the new integrated ECCDE

curriculum; (v) adequately regulate ECCDE service provision by public and private providers; and (vi) developing a financing and expansion strategy for ECCDE service provision that includes expansion in the most cost-effective manner including through public private partnerships.

Interventions for school age children

56. **Support children from poor households to stay in school.** This would entail three main interventions. First, implement interventions to ensure better targeting and coverage of the OVC-Bursary program. The targeting mechanism can be improved consistent with the MoSD's Integrated Social Safety Net (ISSN) Harmonization strategy that applies the poverty targeting system National Information System for Social Assistance (NISSA) together with the Education Management Information System (EMIS) data to identify and support children in poor communities with a high dropout rate. Second, provide as part of the CGP, a bonus payment for children from poor households who transition from primary school to junior secondary school to assist them with school related expenses which tend to increase in secondary school. Third, to support young Basotho who face multiple deprivations, expanding and strengthening of interventions to support youth clubs and a "safe space" approach to empower adolescent girls and boys is key. These fora empower young people to make informed decisions- including about their schooling- by equipping them with relevant life-skills (e.g., conflict resolution, self-determination, confidence, negotiations and leadership), and health awareness (e.g., basic health, nutrition, and hygiene, reproductive health, menstrual hygiene management), They will also serve as an important platforms to raising adolescents' GBV/SEA awareness e.g., approaches to prevent, mitigate and respond to GBV/SEA, and refer adolescents to additional social services and support.

57. **Ensure that children are learning in school**. As a priority, interventions to strengthen Early Grade Reading (EGR) and Early Grade Mathematics (EGM) programs are key to support the mastery of foundational skills of literacy and numeracy in early grades (Grades 1-4) of primary school. This entails providing a structured pedagogy approach to teaching and learning including: (i) teaching in mother-tongue in early grades before transitioning to English around Grade 4; (ii) teaching curricula that is relevant for today's society including digital literacy skills; (iii) training and supporting teachers inside and outside the classroom, to teach children with the most appropriate pedagogy; (iv) ensuring that all children have access to age-appropriate learning materials; and (v) assessing student performance periodically and adjusting teacher training and lesson plans to address areas where there are gaps in learning. In addition, building on the successful online teacher training programs, roll out – starting with secondary education where more schools have access to electricity and the internet- digital content for teaching and learning particularly in core subjects of English, Mathematics and Science.

58. **Improve management and accountability of teachers.** There needs to build a better Continuous Professional Development support system to train, support, deploy, motivate, and assess teacher performance. Further, teachers need to be better incentivized to teach in rural schools across Lesotho. This would require better coordination between the Ministry of Public Service, the Education Service Commission, the Pre-Service and In-Service training divisions of MoET, the district education officers and principals. In addition, the Government needs to establish a better management information system for teachers to track their training, deployment, utilization in school (absenteeism rates and time they teach in class) as well as their content knowledge and pedagogical skills. This system will help improve accountability and reporting on issues that affect teacher performance.

59. **Teachers also need to be supported in classrooms to be able to deliver good quality education**. Teachers can be supported through detailed guidance such as structured lesson plans in low capacity settings and continuous in-school practical pedagogical support through an 'in-classroom' coach. Given the weak institutional capacity to undertake teacher training, consideration should be given to recruiting

institutes specialized in providing teacher training services, such as New Jersey Centre for Teaching and Learning (NJCTL) who have previously worked in Lesotho, or others who are specialized in these areas and have shown good results in improving teaching methods.

Interventions for youth to adulthood

60. **The education and training system provide for different routes into productive adult life including tertiary education, TVET as well as a variety of non-formal immediately employment-oriented education and training formats.** Access to these routes depends on an individual's educational achievement when exiting from general education, interest and aptitude, the availability of relevant skills development offers, and the financial capability of youths and their families to pay for post-school education. Higher levels of education generally lead to better employment outcomes in Lesotho with the CMS/HBS data of 2017/18 showing that employment rates of technical training and higher education graduates were 15 to 20 percentage points higher than secondary education completers, and that unemployment rates were lower than for youth that entered the labour market with at least completed primary education.

61. **Interventions to increase access to these education and training programs, especially for the poor, are priority as is improving the quality and relevance training programs.** This includes addressing the skills mismatches between training programs and the needs of the labor market by forging stronger partnerships with the private sector and ensuring more on-the-job training through apprenticeships and internships. Aside from developing the right technical skills required by the labor market, education and training programs also need to build digital skills, entrepreneurship skills and other non-cognitive skills. As with the ECCDE sub-sector, it is also urgent to develop a comprehensive data system for TVET and tertiary education providers in order to quality assure and regulate training programs. Improving access to these programs by applying the poverty targeting system (NISSA) for Tertiary Bursaries to make the system more pro-poor is also critical.

62. **ALMPs/youth employment programs need to be more coordinated and holistic.** Interventions targeted at vulnerable youth needs to be scaled up and to adopt a comprehensive approach that encompasses both the demand and supply side of the labor market. These programs need to recognize the multi-faceted nature of the challenges faced by the youth population. For example, providing capital support to youth who are not trained nor have the psychological support or the social network to become a successful entrepreneur, or providing business training to youth who do not have access to financial markets and value chain, are all important aspects of an integrated and holistic response to the needs of the youth.

63. **The social protection system needs to be strengthened to protect households against shocks and to better protect the elderly.** Key reforms include: articulating the specific roles and responsibilities of social protection and the MoSD in future updates to disaster risk management policies and plans; developing program-level contingency protocols for business continuity and vertical and horizontal expansions during crises, including for the Child Grant Program; reinventing the Public Assistance program to be an objective, poverty-targeted and shock responsive program for households without children and for people with disabilities; continuing to strengthen NISSA as a cornerstone for targeting and for coordinating shock responses - building the capacity of the IT department and establishing protocols for the routine updating of household information; linking regional and international early warning information to shock response planning and preparedness to increase the timeliness of drought / El Nino forecasts and to trigger social protection responses; developing a risk financing strategy within the Ministry of Finance that includes ex-ante commitments to the financing of social protection during crises;

continuing to clean up the OAP beneficiary list and move OAP from the MoF to the MoSD to harmonize it with other social assistance programs.

SUMMARY OF INTERVENTIONS TO IMPROVE KEY HUMAN CAPITAL DEVELOPMENT INDICATORS

64. **Bellow, we present a summary of interventions, the Government of Lesotho may consider strengthen/ introduce, to improve key indicators comprising Human Capital Index.**

Priority interventions to improve survival (birth to age 5)

	Priority Activities	**Timeframe**	**Responsible Ministries**
Reduce Neonatal Mortality	Reducing risk of teenage pregnancies through improved access to reproductive health services and retention of girls through secondary education	Medium term	MoH, MoET
	Improving nutritional status of pregnant women to reduce risk of low birth weight	Medium term	MoH
	Improving access to and quality of ANC and PNC	Medium term	MoH
	Improving quality of delivery and neonatal care	Medium term	MoH
	Early initiation of breastfeeding in hospitals and home deliveries	Short term	MoH
Reduce Infant and Under-5 Mortality	Improving quality of IMCI	Medium term	MoH
	Investing in nutrition in first 1,000 days, particularly complementary feeding	Medium term	MoH
	Improve access to quality early stimulation and ECCD services for children 0-3 years and 3-6 years	Medium term	MoET, MoH
	Improving water supply, sanitation and hygiene infrastructure as well as promoting good hygiene practices	Medium term	MoNR, MoH
	Improving education levels of both girls and boys, particularly retention through secondary education	Medium term	MoET, MoSD
	Social assistance transfers through a CGP Plus model including awareness raising and community mobilization around feeding, nutrition, and heath related practices, including special support to pregnant mothers or children under 2 years of age	Medium term	MoSD, MoH
	Improved knowledge regarding health related “life skills” and improved access to reproductive health	S/M/Long term	MoH
	Women empowerment through increased voice and agency	Medium/Long term	MoET

Priority interventions to improve quality adjusted years of schooling

	Priority Activities	**Time frame**	**Responsible Ministries**

Strengthen delivery of Early Childhood Care and Development services	Review and revise outdated ECCD curriculum (1998) based on findings from the MICS and MELQO studies	Short term	MoET
	Pilot and evaluate new curriculum in reception classes and ECCD centers and develop an implementation plan to roll-out new curriculum across ECCD centers	Short term	MoET
	Undertake a mapping exercise to capture information on all pre-schools and ECCD centers providing services for children	Short term	MoET
	Develop a financing and expansion strategy for ECCDE service provision that includes expansion in the most cost-effective manner including through public private partnerships	Short term	MoET
	Develop an ECCD data system that can be consolidation into the overall Education Management Information System to strengthen planning, monitoring and evaluation	Medium term	MoET
	Improve support for and supervision and accountability of ECCD centers by simplifying the registration process for ECCD centers	Medium term	MoET
	Increase access to resources and strengthen in-service training for ECCD teachers/caregivers, in line with the revised curriculum, to improve the quality of service provisioning	Medium term	MoET
	Advocate for parental involvement in the early years to provide awareness and stimulate and enable behavioural change for parents and caregivers to adopt practices associated with improved nutrition, sanitation, health seeking behaviour, antenatal care, early childhood stimulation etc.	Medium term	MoET, MoSD, MoH
	Develop a policy, financing, and operational plan to roll out multi-sectoral interventions with strong support from other Ministries and Partners	Long term	Central Ministry (PMO?)
	Develop a strong referral system to strengthen linkages between health, education, and social protection sectors	Long term	PMO
Improve access and efficiency of basic education (reducing repetition and dropouts, and improving learning outcomes)	Ensure all students return to schools after they were closed due to the COVID-19 pandemic	Short term	MoET
	Pilot bonuses under the CGP to incentivize better transition from primary to secondary school	Short term	MoSD, MoET
	Strengthen the impact of the OVC-Bursary grant on student retention by improving coverage, targeting and accountability at the school and community level	Short term	MoSD, MoET
	Address policy concern of schools charging top-up fees with OVC education grant	Short term	MoSD, MoET
	Address policy concern on the termination of support to students through the OVC education grant for students who need to repeat a grade due to factors beyond their control	Short term	MoSD, MoET
	Evaluate and scale-up the implementation of support youth groups/clubs to create a safe space to empower adolescent boys and girls and equip them with relevant life-skills	Short term	MoET, NGOs

	Strengthen online in-service teacher training and support to improve the quality of mathematics and science outcomes in junior secondary	Short term	MoET
	Develop a Continuous Professional Development support system to train, support, deploy, motivate, and assess teacher performance	Medium term	MoET
	Strengthen the use of formative assessments as part classroom instruction to identify learning gaps early and address them	Medium term	MoET
	Strengthen the government's school feeding program to address the challenge of food insecurity, poor dietary diversity and high anaemia	Medium term	MoET, WFP
	Strengthen the use of technology in basic education service delivery to improve access and quality and build resilience in the system	Medium term	MoET
	Implement cost-effective and sustainable models of in-service teacher training and in-classroom support including by using technology	Medium term	MoEt
	Extend free basic education to include junior secondary education	Long term	MoET

Priority interventions to improve stunting levels and adult survival

	Priority Activities	**Time frame**	**Responsible Ministries**
Reducing Stunting Under 5	Promote exclusive breastfeeding (180 days), including during HIV/AIDS	Short term	MoH
	Timely introduction of complementary feeding (6-8 m) with continued breastfeeding till 2 years of age	Short term	MoH
	Improved quality of complementary foods and feeding practices in children 6-24 months (m), focusing mainly on dietary diversity and minimal acceptable diets	Short term	MoH
	Micronutrient supplementation (iron, Vitamin A and MNP) and deworming	Short term	MoH
	Feeding of sick children during and after illness	Short term	MoH, MoSD
	Management of moderately and severely malnourished children	Medium term	MoH, MoSD
	Improve child anaemia among children 6 – 59 m	Medium term	MoH
	School-based nutrition, including pre-school, ECD	Medium term	MoET, MoH
	Social assistance transfers through a CGP Plus model including awareness raising and community mobilization around feeding, nutrition, and heath related practices, including special support to households pregnant mothers or children under 2 years of age	Medium term	MoSD, MoH

Improving Maternal Health Outcomes	Improving access to and quality of ANC and PNC	Medium term	MoH
	Reducing Third Delay at Skilled Delivery Improving Quality of Care	Medium term	MoH
	Better nutrition during pregnancy and lactation, including anaemia and obesity management	Medium term	MoH
	Improve education levels of girls, particularly retention through secondary education	Medium term	MoET, MoSD
Improving Adolescent and Women's Health and Nutrition	Reproductive health through communication, empowerment, and social protection interventions	Long term	MoH, MoSD
	Prevention of overweight/obesity during adolescence and reproductive age group through communication strategies	Long term	MoH
	School-based nutrition and reproductive health	Medium term	MoET, MoH
	Social safety net – Cash Transfer / Jobs to Adolescent Girls	Long term	MoSD
	Increased access to quality foods by strengthening the local food systems through community and or kitchen gardens	Medium term	MoET, Ministry of Agric
Reducing Adult Mortality and Improve Productivity	Improved continuum of care (screening, care management) for NCDs (hypertension, diabetes, etc.), including overweight and obesity management for NCD prevention	Medium term	MoH
	Dietary management of NCD's i.e., diabetes, cancer, hypertension and heart diseases along with appropriate medication, including for overweight and obesity	Long term	MoH
	Improve Emergency Medical Services	Long term	MoH
	Increased access to quality foods by strengthening the local food systems through community and or kitchen gardens	Long term	MoET, Ministry of Agric
	Skills Training (foundational skills, technical, digital, business)	Medium term	MoET

Annex 1: World Bank support to Lesotho - Harmonized Approach to Strengthening Human Capital

1. *World Bank Lending Operations (IBRD) in the Kingdom of Lesotho approved, under preparation*

Lesotho Education Quality for Equality Project (LEQEP) (P156001, 2016-2021, IDA financed - $25 million)

- **Project status**: Board approval – 26 May 2016. Closing date – 31 June 2021 (process of restructuring and possible extension)
- **Project Development Objective:** To improve basic education service delivery and student retention in targeted schools.
- **Project beneficiaries:** The project currently targets 377 schools (65 junior secondary and 312 primary). The main beneficiaries of the project include students, teachers, school principals and school board members in the targeted schools.[24]

Lesotho Basic Education Improvement Project (LBEIP) (P160090, 2017-2021, financed by Global Partnership for Education (GPE) - $2.1 million)

- **Project status**: Board approval – 28 February 2017. Closing date – 31 August 2021
- **Project Development Objective:** To improve basic education service delivery and student retention in targeted schools.
- **Project beneficiaries:** The project currently targets 6 junior secondary schools, 20 primary schools and 19 associated preprimary centers that are low performing and disadvantaged. The main beneficiaries of the project include students, teachers, school principals and school board members in the targeted schools.[25]

Social Assistance Project (P151442, IDA $40million)

- **Project status**: The original US$20 million IDA Credit for the SAP, which was approved on June 3, 2016, and became effective on July 12, 2016, was complemented by an Additional Financing credit of US$20 million approved on December 3, 2016, and effective as of February 24, 2017. The project closing date was recently extended to November 30, 2020.
- **Project Development Objective**: The objective of the Project is to support the GoL in improving the efficiency, equity and shock responsive function of selected Social Assistance programs and, in the event of an Eligible Crisis or Emergency, to provide immediate and effective response to said Eligible Crisis or Emergency.
- **Project beneficiaries**: Project supports reforms to selected social assistance programs for poor children, caregivers, destitute households, and old age pensioners. The reforms undertaken through the PforR parts of the program aim to harmonize and modernize the coordination and implementation of social assistance programs to attain improved developed impacts without increasing the cost. The project has also financed direct cash transfers during two drought emergencies to around 55,000 households.

[24] The number of supported schools will increase. Under the COVID-19 response, the aim is to cover as many schools as possible.

[25] Same as above

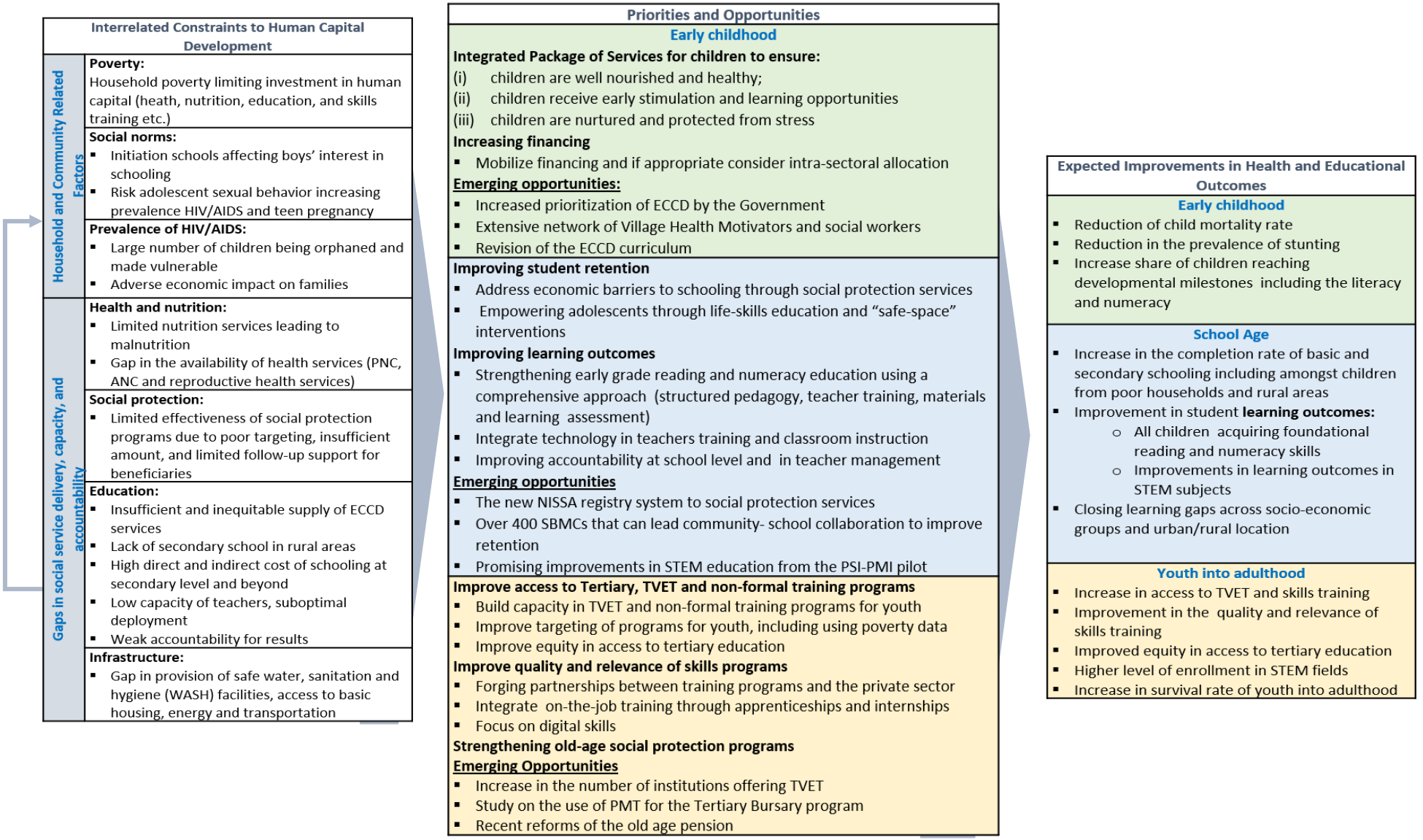
Basic Education Strengthening Project (BESP) (P175065, forthcoming, GPE financed - $7.5 million)

- **Project status**: Preparation stage. Final appraisal package to be submitted to GPE on January 26, 2021.
- **Project Development Objective:** To improve student retention and teaching quality in targeted junior secondary schools and pilot specific interventions to strengthen ECCD service delivery.
- **Project beneficiaries:** To be defined during preparation.

2. Support to the Kingdom of Lesotho through Advisory Services and Analytics

	Project Name and Number	**Completion Date**
1	Multisectoral Nutrition Analysis and Gaps Assessment: Lesotho	January 2019
2	BETF activities: Maximizing budget and implementation efficiency to reduce child stunting in Lesotho (TF0B0331)	May 31, 2021
3	Designing and Implementing Interventions to Accelerate Human Capital Formation for Adolescents in South Africa, Eswatini and Lesotho (P172420)	May 31, 2021
4	The Future of Medical Work in Southern Africa (P171798)	May 28, 2021
5	Social Protection System Reviews in Southern African countries (P172175)	June 2021
6	Lesotho Digital Economy Diagnostic	June 2020
7	Lesotho Early Childhood Care and Development Study (MELQO)	October 2018
8	Lesotho Education Sector Analysis (ESA)	May 2020
9	Update of the Education Sector Strategic Plan (ESSP) for Lesotho	April 2021

Annex 2: Results Chain for Human Capital Development in Lesotho



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