



### Leveraging social protection to support economic inclusion in Lesotho

#### KEY MESSAGES

Complementarities between social protection and rural livelihood interventions can generate synergies by strategically addressing constraints faced by poor rural households. These constraints cannot be fully addressed by either agricultural or social protection interventions alone. The complementarities can also contribute to increasing the resilience of households in the face of external shocks, such as the one we are currently facing as a result of the COVID-19 pandemic.

Lesotho's CGP and SPRINGS programmes set in motion mechanisms that enhanced the income generation capacity of the poor, addressing financial, technical, and knowledge constraints. The combination of a social protection and a livelihood programme reflects the adoption of an economic inclusion approach that provides economic opportunities to the ultra-poor.

Combining the two programmes had a number of positive impacts across four key dimensions: household income and resilience, financial education, income-generating skills, and nutrition. In addition, the combination of the two programmes stimulated local demand and production, which had an income multiplier effect in the local economy.

Technical capacity challenges, inadequate financial and human resources in the Ministry of Social Development (MoSD), high staff turnover across all Ministries, and weak inter-sectoral coordination are key obstacles to implementing complementary programmes such as CGP and SPRINGS.



World Bank data for 2017

**2.2**  
MILLION PEOPLE

**66%**  
LIVES IN RURAL AREAS

**49,7%**  
NATIONAL POVERTY

**60,7%**  
RURAL POVERTY

**28,5%**  
URBAN POVERTY

#### Child Grants Programme (CGP)

- **Target population:** poor and vulnerable households with children aged 0-18 years
- **Institution in charge:** Ministry of Social Development (MOSD)
- **Services provided:**
  - > Unconditional cash payments
  - > Children's needs messages

#### Sustainable Poverty Reduction through Government Service Support (SPRINGS)

- **Target population:** any community member living in five Community Councils, purposefully selected based on their participation in the CGP
- **Institution in charge:** NGO Catholic Relief Services (CRS)
- **Services provided:**
  - > Support to create and provide financial education to community-based savings and loans groups
  - > Formation of market clubs to promote market engagement in support of income generation.
  - > Homestead gardening through keyhole gardens and vegetable seeds distribution
  - > Improving nutritional practices through community-led complementary feeding sessions

## RESULTS

### Impact evaluation

#### Household welfare and resilience

The combination of CGP and SPRINGS resulted in a 12 percent reduction in the poverty gap relative to the comparison group.



#### Financial inclusion and risk management

Significant increase in the share of households saving and borrowing money.



#### Income generating skills

Strong increase in income from sales of fruits and vegetables in the group of households participating in both programmes.



#### Nutrition

Strong improvements in anthropometric measures, especially a reduction in moderate and severe wasting for the households in the combined CGP and SPRINGS group.



#### Multiplier effects

The CGP stimulates local demand, which in turn stimulates production and has an income multiplier effect in the local economy.

## RECOMMENDATIONS

Re-engage on implementing a rural livelihood programme such as SPRINGS in combination with the CGP. The Community Development Model provides an opportunity to expand and integrate complementary programmes, under a programmatic framework that brings together different sector, and therefore better capture the synergistic benefits of these.



Roles and responsibilities of each sector, from the central to local level, will need to be clearly spelled out in a cross-institutional coordination framework. The MAFS is poised to be a key partner in pursuing an economic inclusion approach within the Community Development Model.



Strengthen the technical and financial capacity of MOSD, by increasing the number of auxiliary social workers on its staff and promoting on-going advocacy by senior MOSD personnel with the Ministry of Finance for planning and budgeting. The scope and scale of the Community Development Model should be designed in the context of limited technical and human resource capacity, outlining clearly how staff and comparative advantages from different government ministries will be leveraged.

### Institutional Analysis

For the implementation of SPRINGS, the Ministry of Social Development (MoSD) and the NGO Catholic Relief Services collaborated in the design and planning stages, but the relationship was characterized by regular reporting only during the implementation phase.



Collaboration was intense at local level (Community Council and Village levels), but weak at the District and Central levels.



The MoSD is relatively constrained compared to other Ministries in its ability to secure financial and human resources. Both the MoSD and the Ministry of Agriculture and Food Security (MAFS) recognize that mobilization of each Ministry's strength and expertise would contribute immensely to the improvement of programmes that link social protection with agriculture.

### info

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