

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC1126

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I. BASIC INFORMATION

A. Basic Project Data

Country:	Lesotho	Project ID:	P151442
Project Name:	Social Protection Project (P151442)		
Task Team Leader(s):	Lucilla Maria Bruni		
Estimated Appraisal Date:	01-Jun-2015	Estimated Board Date:	29-Sep-2015
Managing Unit:	GSPDR	Lending Instrument:	Investment Project Financing
Sector(s):	Public administration- Other social services (90%), Compulsory pension and unemployment insurance (10%)		
Theme(s):	Poverty strategy, analysis and monitoring (10%), Social Safety Nets/Social Assistance & Social Care Services (60%), Improving labor markets (20%), Income Support for Old Age, Disability & Survivorship (10%)		
Financing (In USD Million)			
Total Project Cost:	15.00	Total Bank Financing:	15.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
IDA Grant			15.00
Total			15.00
Environmental Category:	C - Not Required		
Is this a Repeater project?	No		

B. Project Objectives

11. The objective of the proposed project is to support the Government of Lesotho in establishing an efficient and effective national social protection system to reach the poorest and help them improve their livelihoods.

C. Project Description

1. To address key sector challenges and support the achievement of the PDO, the proposed project is a USD\$15 million, four-year Investment Project Financing (IPF), consisting of two inter-related components. The first component would support the actual results arising from implementation of improvements in a selected set of social assistance programs. Such support would be provided by co-financing the eligible expenditure program (on a reimbursement basis), and disbursing against measured improvements in implementation (actions and outputs) leading to improved performance (outcomes), according to a results-based financing approach. The second component would finance select technical investments to strengthen the Government's capacity for implementing such improvements and thereby achieving the results. This component will follow standard World Bank procedures for technical investments.

2. Component 1 – Strengthening the management, efficiency and equity of social assistance programs (USD 12.5 million). The objective of this component is to support the Government of Lesotho in achieving results in the improvements to the management, efficiency and equity of its social assistance programs, in line with the NSPS and its implementation framework.

3. The results Framework in Annex 1 of the Project Appraisal Document shows how the intended objectives and outcomes (PDIs) would be achieved following a logical framework. Along these results chains, some of the critical actions and outputs have been selected as Disbursement Linked Indicators (DLIs) to mark progress towards achievement of the PDIs. Disbursements would be triggered by achievement of these DLIs corresponding to the reform objectives: management, efficiency and equity. The selected DLIs are organized along three results areas, as follows.

4. Results area 1: strengthened management of social assistance programs. This area aims at improving the overall management of social assistance programs, by supporting the achievements of results by the GOL in increasing the human resources for the administration of social assistance and in establishing sector coordination mechanisms, as follows:

5. Strengthened institutional capacity of MSD. The proposed project will incentivize results in the establishment and adequate financing for a few key staff positions in the planned Department of Social Assistance within MSD. The adoption of a new ministerial structure submitted by the MSD and its staffing depend on the approval of the Ministry of Public Service and the consequent budget allocation for the approved positions by the Ministry of Finance. Results in this area will be achieved through one DLI with different tranches corresponding to the different positions, namely:

- a. Director, Department of Social Assistance
- b. Manager for Social Assistance, Department of Social Assistance
- c. Manager of the NISSA, Department of Social Assistance
- d. Manager of payments, Department of Social Assistance
- e. Manager of the Management Information System, Department of Social Assistance

6. Improve coordination of social assistance programs. The project would support results in the implementation of institutional arrangements to support coordination, as identified in NSPS. In particular this area would support results in the set-up of a Social Protection policy committee, as well as a set of focused committees for two key stages of the life cycle (children and elderly).

Results area 2: Improved efficiency of social assistance programs.

7. Harmonizing delivery processes of social protection transfer programs. The main social transfer programs in Lesotho managed by MSD, namely the Child Grants Program, the Public

Assistance, and the Orphans and Vulnerable Children bursary have separate parallel delivery processes, despite having a common target population and similar administrative requirements. Harmonizing and rationalizing the procedures will increase the efficiency of each program, allowing for significant savings while also rationalizing the use of scarce human and material resources. The proposed project would support the GoL's plans to establish common delivery mechanisms for social protection transfer programs, including among other aspects: a single system for direct payments to beneficiaries; a common grievance and redress mechanism (in Lesotho referred to as case management), a coordinated implementation strategy at local level, and an integrated management information system. Some of the key results under this area would be informed by the results of the current pilot of "Integrated Social Safety Net" by the MSD. This pilot seeks to explore the harmonization of registry, targeting approach, and payment system across three social assistance transfers - CGP, Public Assistance and OVC Bursary).

8. Reform of the Public Assistance and OVC Bursary programs. The NSPS sets out to refine the PA and OVC Bursary and OVC Bursary in terms of their objectives and target populations. Furthermore, a recent review of both programs revealed that PA needs to reform its accountability and control mechanisms, introduce targeting, harmonize its payment, and improve its monitoring and information management. As for the OVC bursary, the review finds that the program should be reformed for increased efficiency, mainly by adopting a common targeting system (NISSA), adopting a management information system to facilitate processes and monitoring, and revising the payment process. The new design and processes will be documented in new or revised operations manuals. The reengineering and manuals will be activities financed through technical assistance, the implementation of the reforms will be supported through results.

9. Strengthening the National Information System for Social Assistance (NISSA). NISSA is a key element in building a SP system in Lesotho. The project would support the GoL's plans to strengthen NISSA in the following areas:

f. Increasing the coverage of NISSA to all poor households in the country, the Government with the support of EU/UNICEF will seek to reach all 67 community councils by the end of the project ;

g. Expanding the number of programs using an objective mechanism to target beneficiaries, and the National Social Protection Strategy identifies NISSA as the main tool to target poor households for programs implemented by the MSD (Public Assistance, OVC Bursary and CGP),

h. Expand the number of programs which use NISSA as a single beneficiary registry, including OVC bursary, PA, OAP and CGP, integrating information for new and existing beneficiaries.

10. Harmonizing social assistance programs with overlapping goals and target groups. The project would support actions by the GoL aimed at harmonizing programs that have similar mandate. The GoL currently runs two very similar OVC Bursary programs: the OVC Bursary Scheme implemented by the MSD, and the OVC Post Primary Bursary program, run by the Manpower Planning Secretariat in the Ministry of Development Planning. Currently the two programs run in parallel and no coordination mechanisms have been put in place to ensure synergies. Despite having similar goals, selection is based on merit and vulnerability for one program, and vulnerability for the other; selection processes are different – list submitted by school directors and individual assessments respectively. Duplication of benefits is possible, as there is no database cross-match. Parallel selection and administration processes also duplicate efforts and result in an inefficient use of scarce resources at Government level. In the recent years, the budget available at MSD for the bursary has experienced a decreasing trend, impacted by the end of the Global Fund support. Since the cohort of vulnerable secondary students is higher than the amount of bursaries offered, it is

important to rationalize the use of scarce resources. Harmonizing these programs could reduce administrative costs and allow for greater budget space for transfers. The first element of this harmonization would be to cross-check the beneficiary databases to identify duplications, protocols to eliminate those duplications need to be identified. Consolidation of programs, by transferring one budget to the other program, would ensure the highest level of synergies by adopting a single application, selection, administration, payment, reconciliation, and monitoring mechanism.

11. Rationalization of the management and administration of the Old Age Pension (OAP). The project would support results in improving the management and administrative efficiency of the Old Age Pension, the largest social assistance program in the country. The proposed project would support results in the MOF's efforts to rationalize the administration of the Old Age Pension, through DLIs on: a) introduction of regular process and financial audits; b) adoption of reengineered procedures detailed in a new Operations Manual, including: eligibility verification, information management, payment process, financial management, and control mechanisms to prevent and deter error, fraud and corruption; c) clean-up of the current OAP database, to exclude non eligible beneficiaries through regular cross-matching and regular biometric proof of life verification; d) implementation of a new electronic payment system.

Results area 3: Increased equity of social assistance

12. Improving the targeting mechanisms for social assistance programs. The project will support efforts by the MSD to adopt a common and objective targeting approach for all its poverty targeted social assistance programs. The proposed project will support results in the adoption of the this new targeting methodology the Public Assistance and the OVC Bursary programs, both of which do currently not have a clearly defined poverty eligibility criteria, despite their poverty alleviation mandate {See Box xx}. TA under Component 2 will complement the achievements of such results by supporting the MSD in adapting the new methodology to the new set of eligibility criteria that will be developed under the reform of the two programs {see Component 2}.

13. Expansion of the coverage of the Child Grant Program. The National Social Protection Strategy identifies the CGP to as the flagship program to alleviate poverty and increase the investment in health and education of children from poor families in Lesotho. The proposed project would support the government's results in the geographic expansion of the CGP to progressively cover all areas in the country.

Component 2 – Technical Assistance (USD 2.5 million).

14. This component will finance technical assistance as well as investment necessary to overcome the main constrains in term of capacity, implementation, monitoring and evaluation of results supported by Component 1. The TA and investment financing activities have been agreed with between the Government and the World Bank team, in consultation with development partners, on the basis of their strategic importance to achieve the DLIs, absence of support by other development partners and to leverage the World Bank's comparative advantage and international experience.

15. The EU and UNICEF are investing significantly in strengthening the capacity of MSD to deliver social assistance. Their assistance is mainly implemented through UNICEF and is focused on broad aspects related to CGP, NISSA, ISSN and the CCT pilot under the CGP.

16. The World Bank team and the EU/UNICEF have been working closely to ensure complementarity and coherence in their respective support programs, in order to maximize the benefits to the GoL. The proposed project is explicitly designed to build on areas of support of the

EU/UNICEF, especially in terms of TA and Investment support already provided by these development partners.

17. The proposed project would finance select technical assistance and investment activities that would leverage the World Bank's comparative advantage and international experience. Specifically, support under this component will be mainly directed towards MSD capacity building (as complementary to EU and UNICEF), PA and OVC bursary, and towards the reform of the OAP, as necessary to implement and monitor reforms that would lead to the achievement of results (DLIs and ultimately the PDIs), and towards reforms of the OAP to improve its management and increase its efficiency and capacity of MOF to implement these reforms.

18. Broadly, TA activities will be directed towards: MSD capacity building (as complementary to EU and UNICEF); PA and OVC bursary reform; and importantly towards the reform of the OAP, as necessary to implement and monitor reforms that would lead to the achievement of results (DLIs and ultimately the PDIs). Specific activities would be organized into two sub-component, supporting the three results areas (management, efficiency and equity) plus the project implementation capacity as follows

19. Sub-Component 2A: Supporting the achievement of results in selected social assistance programs. (US\$ 1.10 million). Implementing reforms in management, efficiency and equity of selected social assistance programs and achieving the desired results will require additional inputs and technical assistance. Table 2.5 presents a summary of the planned TA activities to be financed under this sub-component with the estimated cost and the link with the result areas.

20. Sub-Component 2B: Project Implementation support (US\$ 1.40 million). In order to support the implementation of the proposed project, the MSD would be strengthened with a Project Implementation Unit (PIU) under the Policy Planning and M&E Directorate of the MSD (for details see Annex 3). Specifically, this sub-component would finance, inter alia, a Project coordinator for day to day management, a procurement specialist, a financial management specialist and three specialists responsible for the coordination of activities within MSD and MoF. Additionally, the sub-component would finance the cost of the yearly external financial audits and some additional operating cost.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project is national in scope, though some activities will specifically target the poorest areas of the country.

E. Borrowers Institutional Capacity for Safeguard Policies

At country level, environmental oversight capacity is adequate in Lesotho. Several key institutions and agencies are familiar with the Bank's safeguards policies and have gained experience in the implementation and oversight of Bank-funded projects.

However, based on the project description, none of the project's activities trigger safeguards policies and they are likely to have very little to no negative impacts.

F. Environmental and Social Safeguards Specialists on the Team

Kristine Schwebach (GSURR)

Melissa C. Landes (GENDR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	Because this project relates to overall management and efficiency of social protection programs at the central level, as well as expansion of certain cash transfer programs, no environmental issues and impacts are foreseen as a result of this project.
Natural Habitats OP/BP 4.04	No	Because this project relates to overall management and efficiency of social protection programs at the central level, as well as expansion of certain cash transfer programs, no impacts are foreseen on natural habitats as a result of this project.
Forests OP/BP 4.36	No	Because this project relates to overall management and efficiency of social protection programs at the central level, as well as expansion of certain cash transfer programs, no impacts are foreseen on forests as a result of this project.
Pest Management OP 4.09	No	Because this project relates to overall management and efficiency of social protection programs at the central level, as well as expansion of certain cash transfer programs, no pesticides will be used in this project and no pest management issues are foreseen as a result of this project.
Physical Cultural Resources OP/BP 4.11	No	Because this project relates to overall management and efficiency of social protection programs at the central level, as well as expansion of certain cash transfer programs, no impacts on physical cultural resources are foreseen as a result of this project.
Indigenous Peoples OP/BP 4.10	No	There are no Indigenous Peoples in the project area.
Involuntary Resettlement OP/BP 4.12	No	Because this project relates to overall management and efficiency of social protection programs at the central level, as well as expansion of certain cash transfer programs, no land acquisition leading to involuntary resettlement or restrictions of access to resources and livelihoods is foreseen as a result of this project.
Safety of Dams OP/BP 4.37	No	N/A
Projects on International Waterways OP/BP 7.50	No	N/A
Projects in Disputed Areas OP/BP 7.60	No	N/A

III. SAFEGUARD PREPARATION PLAN

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

A. Tentative target date for preparing the PAD Stage ISDS: 15-May-2015

B. Time frame for launching and completing the safeguard-related studies that may be needed.

The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared: May 15, 2015. As this project is classified C for EA purposes, no further environmental work is required.

IV. APPROVALS

Task Team Leader(s):	Name: Lucilla Maria Bruni	
<i>Approved By:</i>		
Regional Safeguards Advisor:	Name: Alexandra C. Bezeredi (RSA)	Date: 07-May-2015
Practice Manager/ Manager:	Name: Manuel Salazar (PMGR)	Date: 07-May-2015