Early Warning System

WB-P177814

Productive Social Assistance Project

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Quick Facts

Countries	Lesotho
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	B
Voting Date	2022-06-22
Borrower	Government of Lesotho
Sectors	Law and Government
Investment Type(s)	Grant
Investment Amount (USD)	$ 28.50 million
Project Cost (USD)	$ 28.50 million

Project Description

According to bank documents, the projective objective is to improve the efficiency and equity of selected social assistance programs and to strengthen the livelihoods of poor and vulnerable households.

The project has four components:

1. Component 1. This component will support the Government in implementing a package of economic inclusion activities designed to strengthen the livelihoods of poor and vulnerable households. This will be achieved through the provision of additional interventions in selected geographical areas (community councils) designed to provide beneficiaries with the additional resources they need to overcome the constraints they face to increased productivity and income. The package of economic inclusion interventions would include a productive grant, training on entrepreneurship and business skills, life skills, mentorship, and savings. The package will vary depending on the locations selected and will be coordinated with other activities provided by NGOs and exiting health, nutrition and small-holder agriculture projects. The component will also finance assistive devices for people living with disabilities to attend school and access jobs and services.
2. Component 2. This component provides flexible resources to support temporary expansions of the selected social grant programs in response to shocks. In support of the objective of improved efficiency of select social assistance programs, and in complement to the delivery system investments undertaken in Component 3, this component is designed to provide ear-marked financing for scaling up of shock responsive cash transfers. In combination, Component 3 will support improvements to the systems and processes that facilitate delivery of cash transfers during emergencies (the 'piping'), while this component provides the liquidity needed to mobilize these responses more efficiently. Evidence has repeatedly shown that prepositioned financing is a fundamental pre-requisite to mobilizing a timely shock response and that without it, social assistance responses tend to arrive late with limited effectiveness. Specifically, this component would support a vertical and horizontal expansion of some cash transfer programs, under certain conditions.
3. Component 3. In line with ongoing government priorities for the sector, this component will invest in system strengthening to improve efficiency and equity of social assistance. Building from the success of the previous Social Assistance Project, the MoSD sees the continued financing of delivery system strengthening as critical to continually improving the efficiency of social assistance, which represents the primary focus of the NSDP in relation to social protection. Accordingly, this component will strengthen delivery systems with an emphasis on reducing administrative costs, non-transparent and costly processes, and leakages, and on enhancing the ability of programs to target the poor. At the same time, as a subsidiary objective, the investments made with this component are expected to increase the MoSD's preparedness to respond to shocks, primarily through three avenues: 1) supporting the wider adoption of digital payments which can facilitate the faster delivery of post-shock cash transfers; 2) strengthening the social registry (NISSA) as the primary information system used when increasing coverage in response to shocks; and 3) strengthening interoperability and management information systems. Importantly, the component will also support the ongoing reform of the tertiary bursary program which is both costly and regressive. Performance based conditions will also be used to incentivize results with the government's social assistance programs as the eligible expenditure program.
4. Component 4. This component will support the operational costs associated with the implementation of components 1-3. It will also support a small Project Facilitation Unit (PFU), assessments, evaluations, technical assistance, grievance systems, citizen engagement, and capacity building.

Investment Description

- World Bank (WB)

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Other Related Projects

- WB-P518851 Pathways to Sustainable Livelihoods Project