

<b>TO:</b> Laura Frigenti, CEO	
<b>FROM:</b> Sven Baeten, Belay Addise, Kirsten Majgaard	
<b>SUBJECT:</b> Lesotho: allocation for Multiplier grant	
Country	Lesotho
Multiplier grant	US\$ 2.5 million
Allocation requested	US\$ 2.5 million (100%)
Allocation recommended by Secretariat	US\$ 2.5 million
Results based financing	No
Grant agent	UNICEF
Agency fee (% and amount)	7% (US \$175,000)
Period	3 years and 3 months
Expected start date	10/1/2024
Closing date	12/31/2027
Funding source	Donor financing: US\$3,642,499 ECONET: US\$ 3,013,740 VODACOM: US\$ 534,759 Standard Lesotho Bank: US\$ 94,000 GPE funding: US \$2,500,000

**Action request**

Approve an allocation from GPE trust funds for a multiplier grant, in support of the *Melupe* Investment in Lesotho Education program, as described in the application submitted and summarized in Table above, subject to:

- a) Availability of funds.
- b) Board decision BOD/2012/11-04 on commitment of trust funds for grants in annual installments.

**Grant Summary**

The Melupe Investment in Lesotho Education program aims to enhance equitable and inclusive access to quality primary and lower secondary education in five disadvantaged districts: Thaba-Tseka, Mokhotlong, Qacha’s Nek, Berea, and Maseru. It will benefit 93,803 learners, including 49,189 girls, 6,573 learners with special needs, and 2,958 orphaned learners across grades 4 to 10. The program also targets 1,216 primary and 245 secondary teachers, as well as 300 primary and 70 secondary school principals for training. Key interventions include providing scholarships for 500 in-school and 150 out-of-school children, establishing Alternate Learning Pathways (ALP) centers for 4,500 out-of-school children aged 6-15, implementing technology-enabled classroom observations and continuous assessments, and developing digital tools and a dropout prevention system for data-driven decision-making.

The program design is gender hardwired, acknowledging that data shows girls outperforming boys in secondary education completion and literacy and numeracy skills. The program's commitment to equitable education is evident in its approach to removing barriers for vulnerable children, offering scholarships without gender bias; engaging communities to re-engage out-of-school children, particularly boys in accelerated learning pathways and addressing societal issues like gender-based violence, while working with civil society to foster gender-specific extracurricular activities that enhance the appeal of education.

Additionally, the program will launch an awareness campaign to improve parental involvement and school accountability and provide technical assistance to create a 'Vulnerable Lesotho Learners Trust Fund' with oversight from Ministries of Education, Social Development and Finance and including government and private sector & foundations financing, to sustain financial aid for disadvantaged learners beyond the project's duration. These initiatives aim to address critical barriers to education, improve learning outcomes, and support sustainable development in the targeted communities.

The Melupe program will be managed and implemented by UNICEF in collaboration with MoET using UNICEF's financial procedures including the Harmonized Approach to Cash Transfers (HACT). The multiplier co-financing involves contributions from Vodacom Lesotho, ECONET through (implementation support from) the Higher Life Foundation, and Standard Lesotho Bank, each providing financial support for specific educational initiatives such as digital learning, teacher training, and bursaries for children which will be programmed separately, yet in alignment with the Melupe program. UNICEF, as the Grant Agent, will ensure alignment and complementarity between Melupe and across the different co-financiers' programs. A Project Steering Committee led by the Principal Secretary of the Ministry of Education and Training (MoET) will meet quarterly to enable this coordination.

### Current Portfolio

Type of grant	Amount (US million)	Current Status	Grant Approval Date
ESPIG (WB)	7.50	Active	03/28/2022
Multiplier (UNICEF)	2.50	Active	02/08/2024
SCG (UNICEF)	1.60	Active	06/06/2023
PDG (UNICEF)	0.26	Active	06/13/2023
STG (UNICEF)	5	Under Preparation	Jan 2025

### Enabling Factors assessment

Lesotho has undertaken an assessment of the enabling factors and identified Data and Evidence and the Volume, Efficiency, and Equity of Domestic Financing as high priority. The partnership compact focuses on enhancing the quality of teaching and learning for improved attainment in basic education, particularly for marginalized learners, as a key area for GPE funding. In addressing data and evidence challenges, the compact proposes strengthening MoET EMIS systems, improving government capacity to gather and use data at decentralized

levels, and implementing learning assessments. For domestic financing, the compact outlines the government's ambition to expand financing for ECCD, improve the equity focus of tertiary education bursaries through means testing, and enhance efficiency through decentralized teacher management and deployment, revised approaches to filling vacancies, and reducing teacher absenteeism. The first annual report of the system transformation grant which highlights progress to address enabling factors challenges is currently being developed.

### **Significant Opportunities:**

The program presents several opportunities for collaboration and innovation. The project aligns with the Lesotho's Partnership Compact and leverages partnerships with local private sector companies such as Vodacom Lesotho, ECONET, and Standard Lesotho Bank, which have committed substantial co-financing to enhance educational outcomes. These partnerships are a unique opportunity to harmonize private sector efforts, through a proposed 'Lesotho private sector initiative for education' with national education priorities. The proposed Trust Fund to provide scholarships for vulnerable learners would be a new approach to provide sustainable financing to support education for children beyond the project. These government-supported innovative financing approaches will offer valuable lessons for Lesotho and the GPE partnership. Additionally, the project introduces innovative approaches for the Lesotho context, such as establishing the country's first educational radio station to reach remote and underserved communities, which could significantly impact educational access and quality. The program also provides a good opportunity to enhance system capacity for data utilization and strengthen feedback mechanisms at school and district levels.

### **Significant Issues and Risks**

Several risks could impact program implementation. These include political interference in the selection of scholarship beneficiaries and corruption in the procurement of radio equipment. To mitigate these risks, oversight mechanisms involving UNICEF and MoET expertise have been established. Additionally, financial risks, particularly related to inflation and currency depreciation, could also affect the project's budget and contractor performance. Mitigation strategies include a 10% budget contingency and adherence to UN-issued guidance for financial management. At a strategic level, it will be important for the MoET to ensure adequate coordination between various new initiatives addressing improved access, inclusion and education quality in Lesotho; the role of the local education group to support these efforts is key.

### **Recommendation**

The Review Meeting (RM) concluded, based on the Secretariat's quality assurance review, that the **RM recommends to the CEO the approval of an allocation of US \$2.5 million for Lesotho with UNICEF as Grant Agent.**

**RECOMMENDED DECISION**

**Grant:** Multiplier

**Country:** Lesotho

**CEO/2024/05-09-2024**

The CEO in her delegated authority from the Board of Directors approves the System Transformation Grant request for Lesotho in the amount of US\$2,500,000 plus an additional US \$175,000 in agency fees to UNICEF as the grant agent, as described in the application submitted and summarized in Table above, subject to:

- a) Availability of funds.
- b) Board decision BOD/2012/11-04 on commitment of trust funds for grants in annual installments.

Date: September 5, 2024



Laura Frigenti, CEO