
ONE PROGRAMME REPORT

2010 PERFORMANCE AND REPORTING

**UNITED NATIONS COUNTRY TEAM IN LESOTHO
DECEMBER 2010**

1. Background

Lesotho continues to face significant development challenges. The adult prevalence of HIV/AIDS remains at 23 percent, the third highest in the world. Poverty is widespread with more than half of the population living below the poverty line. Only two MDGs on education and gender are currently on track. According to UNDP's Human Development Index, Lesotho's human development ranking has fallen from 127 out of 174 countries ranked in the 2000 report to 141 out of 169 countries listed in the 2010 report.

In response to the country's persistent and emerging development challenges, the UN Country Team revised its medium-term development framework (UNDAF 2008–2012) in 2009 and agreed to work more closely together through the *Delivering as One* (DaO) approach and establish a One UN Fund that is administered through UNDP's Multi-Donor Trust Fund Office (MDTF Office) as Administrative Agent on behalf of the Lesotho One UN Fund Participating Organizations. The One Fund has been essential at driving this integration and collaboration at a very practical level in implementing the UNDAF. It inspired the UN, led by the Government, to develop four joint programs with the 'Mother' as the entry point, to tackle the worst performing MDG indicators in a comprehensive manner. Before the One Fund, UN Agencies would target beneficiaries in mostly a disjointed manner (e.g. different beneficiaries receiving different support). Through the joint programs a single set of beneficiaries is, as much as possible, targeted with a comprehensive set of services, thereby increasing the impact and sustainability of the results. For example, a mother receiving agricultural inputs also receives food assistance to ensure that the inputs are not consumed as food items but rather used to grow crops. The four joint programs are on HIV prevention; maternal, neonatal and child health; nutrition; and economic growth and development. These programs are being implemented in four districts (out of the ten) which have the worst social-economic indicators.

Implementation of the four joint programs commenced in earnest in the second part of 2010. The joint programs, while built on the already ongoing UN supported interventions, were nevertheless unique in the sense that for once, resident and non-resident UN agencies were able to implement complementary interventions in common geographical areas targeting common populations. The additional funding support from Expanded DaO Funding Window to the Lesotho One UN Fund amounting to \$2.97 million was all channeled towards these joint programs. This additional funding support did not only fill the funding gap but also brought the UN Agencies more closer together than ever before.

2. Implementation of key elements of DaO Approach

i) Nationally owned and led process

Government of Lesotho through line ministries under coordination of the Ministry of Finance and Development Planning continues to provide leadership for delivery of the UN supported programs. Government's leadership responsibilities and roles of other partners

are clearly articulated in the UNDAF Action Plan (2008–2012). In 2010, the government started preparing the National Development Plan 2012-2017 and asked the UN to coordinate the input from development partners. This will ensure even stronger relation between government priorities and leadership on the one hand, and alignment of UN activities on the other.

During 2010, government leadership was received from all relevant sectoral ministries during program implementation. Leadership support was also received from the Joint Country Steering Committee that is co-chaired by the Minister of Finance and Development Planning. During the year, two steering committee meetings, both co-chaired by the Honorable Minister and the Resident Coordinator, were held in June and November.

The June Steering Committee meeting was convened to agree on the priority areas for four joint programs, the geographical scope of the programs and allocation of funds. The meeting reviewed and approved a concept paper on the joint programs and agreed that the joint programs pay special focus on the “mother” as the entry point for socio-economic development with a focus on HIV prevention; maternal, neonatal and child health; nutrition; and economic growth and development. The meeting also recommended that the joint programs focus on the four districts with the worst human development indicators. The meeting apportioned the funding support from the Lesotho One UN Fund as follows:

Total amount received: \$2,967,030

Allocations

HIV/Maternal, neonatal and child health/Nutrition:	80% (\$2,373,624)
Economic Growth & Development:	13% (\$385,713)
Change Management:	7% (\$207,692)

The November 2010 Steering Committee meeting was convened to review progress made by the joint programs. Among the recommendations made by the meeting for the coming year was more involvement in the steering committee meetings by all line ministries involved in the joint programs; to hold more regular review meetings to improve coordination; and government to provide counterpart funding support for the joint programs.

The Steering Committee is currently comprised of all heads of UN Agencies and the Government of Lesotho, represented by the Ministry of Finance and Development Planning. Additional sectoral representatives are invited to discuss specific issues relevant to their institutions. Up to two Development Partners attend meetings as observers.

Experience from the two Steering Committee meetings showed that a number of issues requiring expert knowledge of line ministries usually emerge during the course of the meetings. It was thus recommended that in the coming year, all line ministries involved in the joint programs should participate in the Steering Committee as members.

Currently, line ministries principally coordinate implementation of the program activities. For the four joint programs, the Ministry of Health and Social Welfare coordinates implementation of HIV prevention and the maternal, neonatal and child health joint programs. The Prime Minister's Office coordinates the nutrition joint program with Ministry of Health as well as the Ministry of Agriculture and Food Security among the implementing partners. The Ministry of Finance and Development Planning coordinates implementation of the Economic Growth and Development joint program.

ii) Key elements of DaO approach adopted by Lesotho

a) Country Fund:

A Joint Steering Committee meeting was held in November 2010 to review program performance including performance of the Country Fund. The meeting noted that despite the late start, most of the joint program activities had been implemented. Out of the planned 40 interventions, 31 had been completed already with most of the other activities on track for completion by 31 December 2010. On financial implementation, the meeting observed that over 70 percent of the available funds had been disbursed in the previous three months and the balance had already been committed for outstanding activities. It was also observed that there were positive signs that the nutrition program was likely to attract funding for the period 2011–2012 (see below) but concerns were raised on the HIV prevention as well as the maternal, neonatal and child health components that could encounter a 30–40 percentage funding gap during the same period. Government was hence requested to consider filling that gap during the forth-coming budget.

b) Monitoring and Evaluation:

The four joint programs that attracted financial support from the Expanded DaO Funding Window were hinged on the Lesotho's *One Program*, the UNDAF Action Plan (2008–2010). Monitoring and evaluation of the UNDAF Action Plan is coordinated by UNDAF Outcome Working Groups (OWGs) which are organized around each of the four UNDAF Outcomes. The OWGs are responsible for guiding, coordinating and overseeing the planning, implementation, monitoring and evaluation of their respective outcomes as specified in the UNDAF Action Plan.

In 2010, each of the Outcome Working Groups reviewed and synthesized agency progress reports (as part of the joint annual UNDAF review) and compiled summaries of achievements, challenges and recommendations relevant to each of the outcome areas. In preparing synthesis reports, OWGs paid special attention on the progress made by the four joint programs as the approach was new to UN operations in Lesotho. Summary reports were then compiled into one report that presented at the annual review meeting held in December and attended by senior policy makers and technical staff of government and non-government institutions.

For the joint programs, additional monitoring was undertaken by the joint program technical working groups that were formed for each of the joint programs and supported by the One Programme Coordinator in the RC office. These technical groups report to their relevant OWGs. Progress made towards each of the joint programs was prepared by the technical groups and analyzed by the relevant OWGs. The technical groups, chaired by the joint program lead agencies, met at least once a month while weekly reports were prepared by the One Programme Coordinator and shared with the UNCT. These groups conducted joint field visits in collaboration with government and NGO counterparts.

c) Leadership by the RC and UNCT:

The achievements made by the nascent joint programs were facilitated by the close engagement and stewardship of the UNCT under the leadership of the RC. To date, progress reports on the joint program activities have become a permanent agenda item for the monthly UNCT meetings.

UNCT's leadership was instrumental at the initial stages of the joint programs particularly in following up decisions made by the Steering Committee. One of the major decisions required from the UNCT was apportioning funding that the Steering Committee had allocated to the maternal health, HIV prevention and nutrition programs.

The joint steering committee at its sitting in June 2010 had apportioned the available funds to three broad areas viz. maternal, neonatal and child health as well as HIV prevention and nutrition (80%); Economic growth and development (13%); and Change Management (7%). Realizing that maternal, neonatal and child health as well as HIV prevention and nutrition would be too complex to manage as one joint program, the UNCT made a decision to establish manageable joint programs that would be based on the existing working arrangements. From the broad program, three joint programs were hence established for maternal, neonatal and child health led by WHO; one for HIV prevention led by UNFPA, and one on Nutrition led by WFP. Considering that the Steering Committee had made a lump sum allocation for all these three programs, the UNCT needed to make further decision on allocating the available funds to each of the three new joint programs.

The UNCT made allocations for the three new joint programs guided by the funding gaps for each of the program areas and capacity to absorb the funds given the limited time for implementation. Out of the \$2.37 million allocated to the broad maternal health, HIV and nutrition component amounting equivalent to 80 percent of the total amount received, the UNCT agreed by consensus to allocate 57 percent of it towards nutrition, 28 percent towards maternal and neonatal health and 15 percent towards HIV prevention. This decision was reached by consensus based on the recommendations of the joint Programme Management Team of the UN system in Lesotho.

The Economic growth and development joint program was coordinated by UNDP while Change Management funding support was executed by the RC's office.

d) Business Operations:

The Operations Management Team (OMT) continued to manage the common services function of the UN System. The Team continued to meet monthly and to make recommendations to the UNCT on joint administrative and operational issues.

In an effort to improve the OMT's common understanding of their roles and responsibilities, a joint retreat for the team was organized in April this year. Meanwhile, joint operational activities continued in the areas of contractual services such as cleaning, security, electrical and plumbing services, air conditioning, fire equipment, lifts, and the back-up generator; for common services staff costs; and for utilities, including electricity, water and telephone.

The OMT was able to develop an annual work plan with targets and timelines all closely linked to and supporting the UNDAF Action Plan (See annex 2). A Joint Business Continuity Plan was also drafted. As part of the Delivering as One efforts, the UNCT commissioned a research to establish the base line i.e. a framework of a set of DaO indicators and baseline values that will be used to monitor progress towards DaO including cost savings for UN and Government partners (See annex 3) The process of establishing long term agreements for travel is in the final stages. Two sub-committees under the OMT were established viz. the Procurement sub-committee and ICT sub-committee.

The OMT also participated actively in the UN capacity assessment and in the development of a participatory action plan for the DaO approach. The assessment exercise showed that the UN has a relatively high national programmatic capacity but also revealed a significant discrepancy between ambitions in the results framework and capacities to deliver these results.

3. Expenditure Reporting

Great effort was put in ensuring that all activities proposed in the joint program documents were implemented before end of the year. As a result, around 90 percent of the available funds were disbursed by close of the reporting period, as can be seen in Financial Annex 1. This achievement was realized despite the late start of program implementation.

The financial data contained in Annex 1 covers the period from 1 January to 31 December 2010. The information and data is compiled from the individual Participating Organizations 2010 Annual Progress Reports submitted by the Participating Organizations to the MDTF Office for consolidation, in its capacity as the AA, in fulfillment of the reporting provisions of the Memorandum of Understanding and Standard Administrative Arrangement for the Lesotho One UN Fund.

4. Resource Mobilization efforts

The year 2010 was mid way for Lesotho's UNDAF Action Plan (2008–2012). For the year's progress review, the UNCT sought to establish progress made towards mobilizing resources to fill the gap of the five-year UNDAF Action Plan (2008–2012). Information provided by the UN Agencies indicates that at least \$90,087,652 out of the envisaged \$187,255,528 of the core and non-core resources had been mobilized between January 2008 and June 2010. This adds up to 48 percent of the total resources required for five year-period 2008–2012). Considering that this information was provided mid-way through the program cycle, the proportion of mobilized funds demonstrates a significant resource mobilization capacity and a sign that the five-year resource mobilization targets could be met. These resource mobilization efforts were made irrespective of the fact that Lesotho attracts a very small number of donors, majority of them non-resident.

With regards to the additional resources attracted as a result of the One Fund \$2,967,030, it is worth noting that while the Donors until now have remained on the side lines to pass funds through the One Fund, the UN system has been able to mobilize resources as a result of its One Fund activities. The table below provides a snapshot overview of such resources:

Agency	Maternal and Child health	HIV prevention	Nutrition	Economic growth & NDP
UNFPA	800,000	200,000		
FAO			100,000	
UNICEF	224,507	2,575,633	567,987	
WHO	79,000	440,000	39,000	
UNDP				350,000
ILO				388,000
WFP			3,160,000	
Government				492,000
Total	1,103,507	3,215,633	3,866,987	1,230,000

The grand total of the resource mobilized in parallel to the One Fund window is \$9,416,127 representing more than three times the amount allocated for a total of \$12,383,157.

We should note here that most of the Donors that usually support the DaO do not have bilateral engagement with Lesotho. Only a one or two of those listed actually directly support UN programs on the ground.

Donors currently supporting Lesotho are:

- European Commission
- Irish Aid
- United States Government
- German Technical Cooperation (GTZ)
- Department of Foreign International Development (DFID)
- World Bank
- African Development Bank
- Global Fund for HIV/AIDS, TB and Malaria
- Chinese Government
- Government of Japan

Annex 1: Financial Tables

Table 1: One Programme Financial Table, prepared by the RCO, for the period ending 31 December 2010

Lesotho One UN Fund, as of October 2010 (thousands USD)													
Trust Fund	2010 Remaining Funding Gap**	Deposits as of December 2009	Available funds as of December 2009 (Total deposits minus total exp.)	Deposits 1 st Quarter 2010	Deposits 2 nd Quarter 2010	Deposits 3 rd Quarter 2010	Deposits 4 th Quarter 2010	Cumulative Total Deposits as of October 2010 (C+E+F+G+H)	Cumulative Total Transfers	Total Funds Available 2010 (Balance B/F +1 st +2 nd Qtr 2010) (D+E+F)	Estimated Total Expenditure 2010 (info to be provided by countries)	Est. total expenditure /total fund Available (L/K) %	Balance of funds C/F (D+E+F+G+H) minus L
A	B	C	D	E	F	G	H	I	J	K	L	M	N
Lesotho One UN Fund	30,929	0	0	2,997	0	0	0	2,997	2,967	2,997	2,607	87.6	360

Table 2 : Expenditure by Sector, for the period ending 31 December 2010 (US\$ 000s)

Sector	Total Transferred up to 31 December 2010	Total Disbursed up to 31 December 2010	Disbursement Rate
HIV Prevention	350	349	99.78
DaO Change Management	208	207	99.63
Economic Growth, Food Security & Environmental Management	1,746	1,387	79.42
Education, Health & Social Services	664	665	100.18
TOTAL	2,967	2,607	87.88

Table 3: Approval & Expenditure by Sector and Agency, for the period ending 31 December 2010 (US\$ 000s)

Sector / UN Organization	Total Approved & Transferred as of 31 December 2010	Total Expenditure as of 31 December 2010	Delivery Rate
HIV Prevention	350	349	99.78
UNFPA	91	91	99.76
UNICEF	259	258	99.79
DaO Change Management	208	207	99.63
UNDP	208	207	99.63
Economic Growth, Food Security & Environmental Management	1,746	1,387	79.42
UNDP	386	368	95.49
FAO	253	134	53.01
UNICEF	162	161	99.58
WFP	882	706	80.11
WHO	64	17	26.16
Education, Health & Social Services	664	665	100.18
UNFPA	234	235	100.50
UNICEF	237	237	100
WHO	193	193	100
TOTAL	2,967	2,607	87.88

Multi-Donor Trust Fund Office
Lesotho One UN Fund

For the period ending 31 December 2010
(Amounts in US\$ Thousands)

Table 4 - Financial Overview

	Prior Years as of 31 Dec 2009	Current Year Jan-Dec 2010	TOTAL
Sources of Funds			
Gross Donor Contributions	-	2,997	2,997
Fund Earned Interest Income	-	17	17
Interest Income received from Participating Organizations	-	-	-
Refunds by Administrative Agent (Interest/Others)	-	-	-
Other Revenues	-	-	-
Total: Sources Of Funds	-	3,014	3,014
Uses Of Funds			
Transfers to Participating Organizations	-	2,967	2,967
Refunds received from Participating Organizations	-	-	-
Net Funded Amount to Participating Organizations	-	2,967	2,967
Administrative Agent Fees	-	30	30
Direct Costs: (Steering Committee, Secretariat...etc)	-	-	-
Bank Charges	-	-	-
Other Expenditures	-	-	-
Total: Uses of Funds	-	2,997	2,997
Balance of Funds Available with Administrative Agent	-	17	17
Net Funded Amount to Participating Organizations	-	2,967	2,967
Participating Organizations' Expenditure	-	2,607	2,607
Balance of Funds with Participating Organizations	-	360	360

Multi-Donor Trust Fund Office
Lesotho One UN Fund
For the period ending 31 December 2010
(Amounts in US\$ Thousands)

Table 5 - Transfer of Net Funded Amount by Participating Organization

Participating Organization	Prior Years as of		Current Year		TOTAL	
	Approved	Net Funded	Approved	Net Funded	Approved Amount	Net Funded Amount
FAO	-	-	253	253	253	253
UNDP	-	-	593	593	593	593
UNFPA	-	-	325	325	325	325
UNICEF	-	-	658	658	658	658
WFP	-	-	882	882	882	882
WHO	-	-	257	257	257	257
T O T A L	-	-	2,967	2,967	2,967	2,967

Multi-Donor Trust Fund Office
Lesotho One UN Fund
For the period ending 31 December 2010
(Amounts in US\$ Thousands)

Table 6 Expenditure by Participating Organization, with breakdown by Category

Participating Organization	TOTAL		Expenditure by Category									
	Total Approved Amount*	Net Funded Amount	Supplies Commodities Equipment & Transport	Expenditure	Personnel	Training of Counterparts	Contracts	Other Direct Costs	Total Programme Cost	Indirect Support Costs	% of Total Programme Costs	
FAO	253	253	134	52	12	60	-	1	125	9	7.00	
UNDP	593	593	575	126	263	-	142	25	555	20	3.58	
UNFPA	325	325	326	249	8	17	-	30	304	21	7.00	
UNICEF	658	658	657	18	16	294	286	-	614	43	7.00	
WFP	882	882	706	578	60	0	1	9	649	58	8.89	
WHO	257	257	210	-	-	-	193	-	193	17	8.71	
T O T A L	2,967	2,967	2,607	1,023	359	371	622	65	2,440	167	6.86	

Annex 2 – Work plan

OMT WORKPLAN FOR 2010

Key result	Action points	Success indicator	By whom	deadline
A Joint Business Continuity Plan	Task force for drafting the plan formed	BCP established	OMT	April, 2010
Joint Travel Services	-Investigate and develop a proposal including findings on best practices from neighbouring countries, comparable costs provided by local travel agents and furthermore seek help from HQ on how to negotiate with Airlines for better deals	-Joint travel services operational - Travel agency housed in UN house	OMT – Procurement sub-committee	June 2010
Joint Procurement services	- A joint Procurement Plan to be developed - Review draft proposal for joint procurement on stationery and expand to include IT and Office Equipment and present to UNCT	Sub-committee TORs developed and approved by OMT. MOU joint procurement serviced signed by Head of agencies Long term agreement for joint procurement signed with vendors	OMT – Procurement sub-committee chair OMT – Procurement sub-committee chair OMT – Procurement sub-committee chair	March 2010 April 2010 July 2010
Joint ICT Services	- ICT Sub-committee to be formed	Sub-committee TORs developed and	OMT –ICT sub-	By End March 2010

	<ul style="list-style-type: none"> - A proposal for three VSAT systems (WFP, UNDP, WHO-UNFPA) - A proposal for common telephone system 	<p>approved by OMT.</p> <p>Proposal approved and signed by heads of agencies</p>	<p>committee</p> <p>Chair</p> <p>OMT Chair</p>	<p>End of June 2010</p>
Key result	Action points	Success indicator	By whom	deadline
Reporting and monitoring of common services	<ul style="list-style-type: none"> -Periodic monitoring and updating in the financial monitoring system. -Monthly reconciliation with finance -Monthly reporting of sub-committee issues requesting OMT attention during OMT meetings. -reporting to UNCT on the request made by UNCT to OMT and financial reporting. Income and expenditure reports shared with OMT Prepare performance reports 	<ul style="list-style-type: none"> -Periodic reports -Reconciliation reports -OMT reports Reports made Reports presented to UNCT. -Revised work plan - Performance reports prepared 	<p>CSA/UNDP (ARR Operations)</p> <p>Chairperson of each sub-committee</p> <p>OMT Chairperson</p> <p>CSA</p> <p>CSA/Sub-Committees</p>	<p>Monthly</p> <p>Monthly</p> <p>Monthly</p> <p>Quarterly</p> <p>Quarterly</p>

		and corrective action taken		
Work plan	Review of the work plan for 2010	Timely review of the work plan	OMT	July 2010
	Preparation of complete work plan for 2011 including the annual CS/DS and Security budget for 2011.	Approval of the common services work plan by UNCT	OMT	November 2010
MOU	Updating of the of the common services/premises MOU by the OMT	-Timely submission of MOU to UNCT for approval	OMT	End of July 2010
Key result	Action points	Success indicator	By whom	deadline
Capacity Assessment workshop	- Workshop held	Strategic framework developed and approved by UNCT	OMT	May 2010
Banking Services	Proposal on Banking Services to be finalised and presented to UNCT	One Bank used by all agencies	OMT Chair	April 2010
Ethics Training	Workshop Held	Training Report and application of Corporate Values	Alternate Chair	May 2010

Annex 3 – Baseline Assessment

Development Impact	#	Indicator	Baseline
	1	Progress on MDG indicators in UN target locations	25% of MDGs on track ; 38% making slow progress
	2	Performance against UNDAF outcomes	32% of UNDAF outcomes on target (according to Oct 2010 'readiness ratings'*)
	3	% of staff time spent on upstream activities	Internal survey (Oct 2010): 50% Capacity assessment: 33%
	4	% of resources for joint programmes	6% of resources available for JPs
	5	% cost savings from shared services	Total \$ amount (\$1.3M) and % (20% procurement; 14% ICT, 66% travel)
	6	Total cost savings on transaction costs for partners	Partner rating: Average/fair (rating =2)
	7	% staff reporting satisfied with quality and timeliness of business processes	Quality: 55% average satisfaction Timeliness: 50% average satisfaction
	8	% of un-earmarked resources available within the One Fund	<ul style="list-style-type: none"> Resources in One Fund: 100% un-earmarked Resources from donors:**0% un-earmarked

Cultural impact	#	Indicator	Baseline
	9	Perceived alignment between UN System vs. Agency priorities	69% perceived alignment
	10	% of staff articulating understanding of DaO objectives	85% of staff articulate understanding
	11	Confidence about ability to contribute to DaO	85% of staff are confident about their ability to contribute
	12	Frequency of contact with other agencies, including NRAs	Other agencies: 74% NRAs: 35%
	13	Partner satisfaction with joint programmes and programmes that are delivered jointly	Partner rating: Average/ fair (rating=2)
	14	Perceived strategic advantage vs. other development agencies	Partner rating: Good (rating = 3)
	15	Accountability of management and staff for DaO	90% of staff perceive the UN to be accountable towards external stakeholders
	16	Aligned and streamlined management practices	40% of management practices aligned
	17	No. of joint outreach and communications efforts	Data missing
	18	% positive feedback on high quality internal communication tools	General staff meetings (47%), agency retreats (52%) and briefings by the RCO (49%) are viewed as the most effective tools