

# Enabling Social Innovation in Lesotho

## Country Snapshot

**Social innovation: "the processes and outcomes of developing novel approaches to address societal challenges facing people and planet." <sup>1</sup>**

This snapshot represents a descriptive, non-exhaustive overview of key highlights from Lesotho's social innovation ecosystem.

✓ Direct focus on social innovation    ⌘ Connected but indirect focus on social innovation    ✗ No focus on social innovation

## INSTITUTIONAL FRAMEWORK

### Official Definition of Social Innovation ⌘



No formal legal definition of "social innovation" is established in Lesotho's primary law. The concept is emerging through digital transformation, science and technology policies and civil society discourse. Policymakers reference innovation primarily through the lenses of digital transformation, entrepreneurship and social protection. <sup>2 3</sup>

### Government Body for Social Innovation ✓



No single agency is mandated for social innovation; multiple ministries address elements indirectly:

- Ministry of Information, Communications, Science, Technology and Innovation (MICSTI): Leads digital policy and, since 2023, holds the Chief Digital Officer (CDO) designation. Oversees the National Digital Policy 2024 and the Digital Transformation Strategy (Agenda 2030). <sup>3</sup>
- Ministry of Small Business Development, Cooperatives and Marketing: Supports MSME development and enterprise support for social innovators. <sup>4</sup>
- Lesotho National Development Corporation (LNDC): Promotes investment and industrial development, with a growing focus on diversification and digital innovation. <sup>4</sup>
- Ministry of Finance and Development Planning: Coordinates social protection programming and NDP budget allocations, including youth and social protection programmes. <sup>5</sup>
- National Manpower Development Secretariat (NMDS): Provides student loans and skills development, supporting human capital for innovation. <sup>5</sup>

### Government Strategy for Social Innovation ✓



Lesotho's National Strategic Development Plan II (NSDP II) 2018–2028 provides the macro framework. Within it:

- National Digital Policy 2024: Envisions Lesotho as "a digitally empowered society that leverages secure technology to create a prosperous, inclusive and sustainable future" by 2035. <sup>3</sup>
- National Digital Transformation Strategy 2024 (Agenda 2030): Translates the Digital Policy into actionable plans, prioritising Digital Government, Digital Infrastructure, Digital Population and Digital Business. <sup>3</sup>
- Science and Technology Innovation Policy 2023 (in development): Aims to update the innovation governance framework and align with STISA-2024. <sup>3</sup>
- National Social Protection Strategy: Guides social protection coverage and shock-responsive programming. <sup>5</sup>

## Policies, Laws & Regulations

Directly linked (innovation, digital, enterprise):

- National Digital Policy 2024: Establishes principles for innovation-enabling governance, digital skills and data security.<sup>3</sup>
- ICT Policy (2005, under revision): Foundational ICT governance framework currently being updated.<sup>3</sup>

Broader enabling (social protection, environment):

- Social Budget Sector Brief 2024–2025: Guides allocation to Cash for Work (Tsoha-U-Iketsetse), Youth Apprenticeship, Sebatso Initiative and NMDS student loans.<sup>5</sup>
- National Gender and Development Policy 2018–2030: Promotes gender equality and women's economic empowerment, a cross-cutting enabler for inclusive social innovation.<sup>6</sup>
- National Climate Change Policy: Promotes technology development, innovation transfer and community resilience through climate adaptation.<sup>7</sup>

## Official Statistics

No official cross-cutting statistics specific to "social innovation" were identified. Key indicators include:

- ~39% Youth unemployment rate (2025), the key driver of innovation and entrepreneurship support programmes.<sup>8</sup>
- ~50% of population living in poverty (2025), creating urgency for social protection and livelihood innovation.<sup>8</sup>
- 58.4% of the population uses the internet (2023 LCA household survey), and 86.7% of mobile phones on the network are smartphones, highlighting digital infrastructure potential.<sup>3</sup>
- 132nd/139 Lesotho's GII 2025 ranking — first year of inclusion in the index.<sup>12</sup>

## Government Programs

- Cash for Work (Tsoha-U-Iketsetse): Social protection programme providing income support to vulnerable households through labour-intensive community activities.<sup>5</sup>
- Youth Apprenticeship Program: Links young people with workplace training to bridge employment gaps.<sup>5</sup>
- Sebatso Initiative and Youth Innovation: Directly targets youth innovation and empowerment.<sup>5</sup>
- African Development Bank Country Strategy Paper 2025–2030 (USD 209 million): Approved plan to support economic diversification, digital innovation, broadband connectivity and skills development for 20,000 young people.<sup>8</sup>

# ECOSYSTEM

## Stakeholders

Lesotho's innovation ecosystem is nascent but growing:

- National University of Lesotho (NUL): A key driver of applied research and human capital for innovation.<sup>2</sup>
- Civil society organisations (CSOs): Faith-based organisations, NGOs and community groups — operating under the civil society framework — are the primary vehicles for grassroots social innovation.<sup>6</sup>
- Private sector entrepreneurs: Concentrated in textile/apparel and emerging digital services; a small but growing startup ecosystem.<sup>4</sup>
- UNDP Lesotho: Supports citizen participation, governance reform and sustainable development.<sup>6</sup>
- WFP Lesotho: Focuses on food security, nutrition, social protection and climate-resilient livelihoods through a 2024–2029 Country Strategic Plan.<sup>10</sup>





### Support Initiatives

International support includes the WFP Country Strategic Plan 2024–2029, UNDP programming on national reforms, and the African Development Bank Country Strategy Paper. The Canada Fund for Local Initiatives (CFLI) funds small high-impact projects in Lesotho in areas of gender equality, inclusive governance and human dignity. <sup>11</sup>



### Collaboration

Collaboration is primarily project-based and international development partner-driven. The UN Sustainable Development Cooperation Framework 2024–2028 provides structure for interagency coordination. Civil society played a central role in the national reform consultations, illustrating an evolving culture of citizen-led social innovation. <sup>6</sup>

## FINANCE



### Financing Schemes

Social innovation financing in Lesotho flows primarily through:

- Government budget: NDP-allocated funds for social protection, Cash for Work, Youth Apprenticeship and NMDS loans. <sup>5</sup>
- African Development Bank: USD 209 million approved CSP 2025–2030 for economic diversification and private sector development. <sup>8</sup>
- UN agencies (WFP, UNDP, UNICEF): Technical and financial assistance for social protection, nutrition, climate resilience. <sup>10</sup>
- International donors (World Bank, EU, Canada CFLI): Project-specific grant funding. <sup>11</sup>



### Financing Inclusivity

Financing is targeted at youth, women-led enterprises and rural communities, but significant gaps remain. The loss of the USD 300 million MCC compact and U.S. tariff pressures on apparel exports (15%) present headwinds for private sector investment in 2025. <sup>8</sup>

## SOCIETY



### Public Awareness of Social Innovation

Awareness of social innovation as a concept is nascent. Engagement is primarily through community-based and faith-based organisations, which have historically driven social change. Civil society is increasingly recognised as an "idea incubator" through the national reforms process. <sup>6</sup>



### Research

Research capacity is limited, with the National University of Lesotho being the primary academic institution. Applied research in food security, nutrition and climate adaptation is led by WFP and UN partners. Research on social entrepreneurship and innovation is at an early stage. <sup>9 10</sup>



### Education & Human Capital

No social innovation qualification pathway exists. Digital skills development is a national priority under the Digital Policy 2024, with a target of equipping 20,000 young people (40% women) with digital skills through the AfDB-supported CSP. Access to tertiary education remains limited; 31% of children are deprived of education access per UNICEF data. <sup>3 8</sup>

## Entrepreneurship



Enabling conditions for business



Innovation infrastructure and business sophistication are identified as areas for development.<sup>12</sup>

Global Innovation Index 2025 (first year in the index).



Entrepreneurship support is growing with MSME development policies, but the economy remains concentrated in textile/apparel and mining. The AfDB CSP 2025–2030 targets investment in digital innovation and SME financing.<sup>4 8</sup>

## Social & Environmental Consciousness



Solidarity



Participation



Volunteering

Lesotho-specific data not reported in the 2024 index. The 2023 index identified Lesotho in the bottom 10 for "donated money" (6%), reflecting formal giving constraints in a predominantly subsistence economy.<sup>13</sup>

CAF World Giving Index 2024



Sustainability

Environmental Performance Index (EPI) 2024: Lesotho's specific EPI ranking was not publicly available at time of publication.<sup>14</sup>

Environmental Performance Index 2024