



# Lesotho Common Country Analysis

December 2020

## TABLE OF CONTENTS

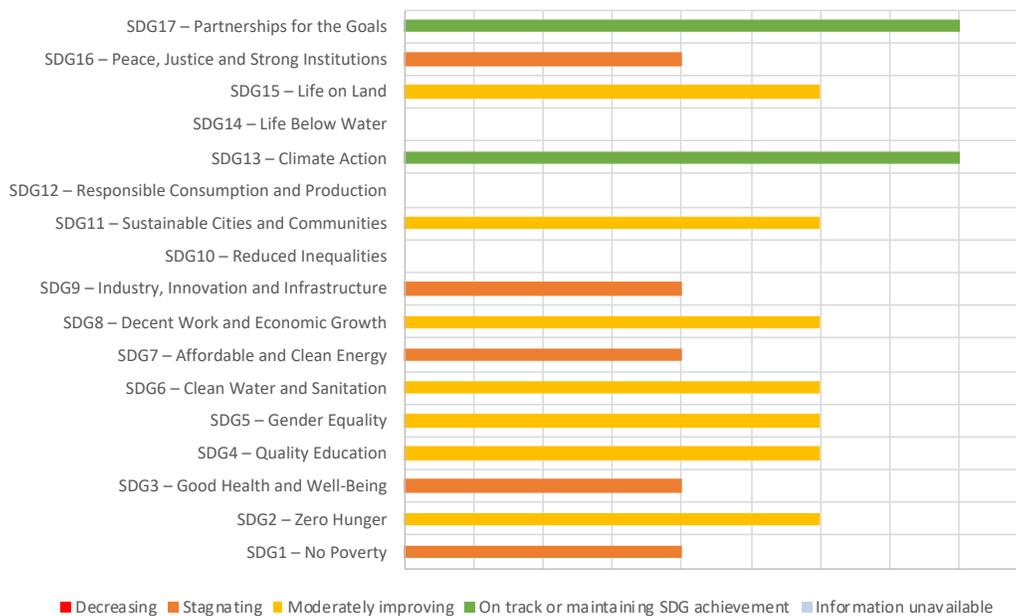
<b>INTRODUCTION.....</b>	<b>2</b>
<b>ECONOMIC TRANSFORMATION.....</b>	<b>3</b>
ECONOMIC GROWTH.....	3
PRIVATE SECTOR.....	11
AGRICULTURE .....	15
EMPLOYMENT.....	18
<b>SOCIAL INCLUSION.....</b>	<b>21</b>
POVERTY .....	21
HEALTH.....	23
GENDER .....	28
NUTRITION AND FOOD SECURITY .....	31
EDUCATION .....	34
WASH.....	39
MIGRATION.....	42
REFUGEES AND INTERNAL DISPLACEMENT .....	45
SOCIAL PROTECTION .....	46
<b>ENVIRONMENT AND CLIMATE CHANGE .....</b>	<b>50</b>
CLIMATE CHANGE .....	50
NATURAL RESOURCES .....	52
<b>GOVERNANCE, INSTITUTIONAL CAPACITY AND HUMAN RIGHTS.....</b>	<b>53</b>
GOVERNANCE .....	53
POLITICAL STABILITY .....	58
PUBLIC SERVICE DELIVERY .....	59
HUMAN RIGHTS .....	62
<b>HUMANITARIAN-DEVELOPMENT-PEACE NEXUS .....</b>	<b>64</b>
<b>CHALLENGES.....</b>	<b>66</b>
<b>OPPORTUNITIES .....</b>	<b>71</b>
<b>RECOMMENDATIONS.....</b>	<b>74</b>
ECONOMIC TRANSFORMATION .....	74
SOCIAL INCLUSION.....	76
ENVIRONMENT AND CLIMATE CHANGE.....	79
GOVERNANCE AND INSTITUTIONAL CAPACITY .....	79
HUMANITARIAN-DEVELOPMENT-PEACE COLLABORATION .....	80

## INTRODUCTION

The 2020 Sustainable Development Report presents a positive trend in the achievement of all SDGs in the Kingdom of Lesotho, albeit to different levels of success (*figure 1*). Two SDGs: Climate Action (SDG13, see [CLIMATE CHANGE](#)) and Partnerships for the Goals (SDG17) are on track to be achieved by 2030. Whilst no SDGs demonstrate a decreasing trend, five: No Poverty (SDG1, see [POVERTY](#)), Good Health and Well-Being (SDG3, see [HEALTH](#)), Affordable and Clean Energy (SDG7, see [CLIMATE CHANGE](#)), Industry, Innovation and Infrastructure (SDG9, see [PRIVATE SECTOR](#)) and Peace, Justice and Strong Institutions (SDG16, see [GOVERNANCE](#) and [HUMANITARIAN-DEVELOPMENT-PEACE NEXUS](#)), are stagnating and will need a concerted effort to regain momentum.

Lesotho's Voluntary National Review (2019) presents positive outcomes on three SDGs: Quality Education (SDG4, see [EDUCATION](#)), Gender Equality (SDG5, see [GENDER](#)) and Climate Action (SDG13, see [CLIMATE CHANGE](#)). However, the review also highlights the need to strengthen data collection to better monitor SDGs trajectories. Of the 152 indicators being monitored nationally, data is only available for 81 indicators, or 53%<sup>1</sup>.

**Figure 1: SDG trends**



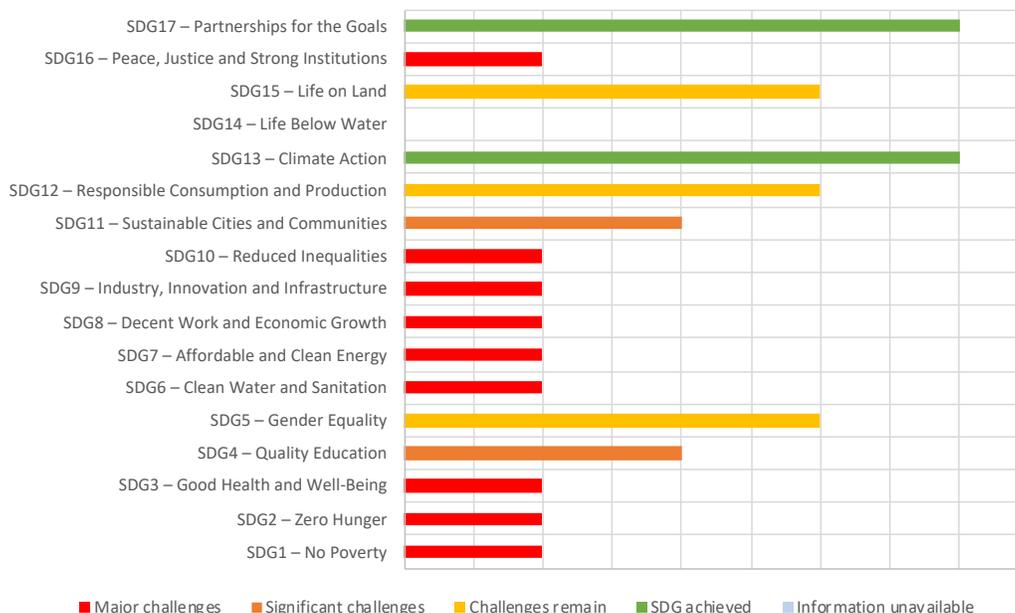
Source: Sachs et al, Sustainable Development Report 2020

COVID-19 and the associated policy responses, has destabilised the Kingdom of Lesotho's development agenda, reducing economic growth and destroying people's livelihoods. It has also affected Lesotho's progress towards Agenda 2030. There are now nine SDGs: No Poverty (SDG1, see [POVERTY](#)), Zero Hunger (SDG2, see [NUTRITION AND FOOD SECURITY](#)), Good Health and Well-Bring (SDG3, see [HEALTH](#)), Clean Water and Sanitation (SDG6, see [WASH](#)), Affordable and Clean Energy (SDG7, see [CLIMATE CHANGE](#)), Decent Work and Economic Growth (SDG8, see [EMPLOYMENT](#) and [ECONOMIC GROWTH](#)), Industry, Innovation and Infrastructure (SDG9, see [PRIVATE SECTOR](#)), Reduce Inequalities (SDG10) and Peace,

<sup>1</sup> SDGs Indicator Baseline Report 2016

Justice and Strong Institutions (SDG16, see [GOVERNANCE](#) and [HUMANITARIAN-DEVELOPMENT-PEACE NEXUS](#)) that face major challenges in the wake of COVID-19 (figure 2).

**Figure 2: Current Assessment of SDGs**



Source: Sachs et al, Sustainable Development Report 2020

The Government of Lesotho is highly committed to the implementation of the 2030 Agenda for Sustainable Development and recognizes the transformative goal of the Agenda. The Government of Lesotho has mainstreamed regional and international commitments, including the Sustainable Development Goals, into national priorities, defined through the National Strategic Development Plan (NSDP II) 2018/19-2022/23. The Government has established an SDGs coordination, oversight and implementation mechanism and institutional arrangements for monitoring national progress towards achieving the SDG targets. These involve multi-stakeholder committees that offer technical leadership and quality assurance on the implementation, monitoring and reporting of SDGs. One of these committees, the National Oversight and Advisory Committee hosts Members of Parliament and is chaired by the Prime Minister.

## ECONOMIC TRANSFORMATION

### ECONOMIC GROWTH

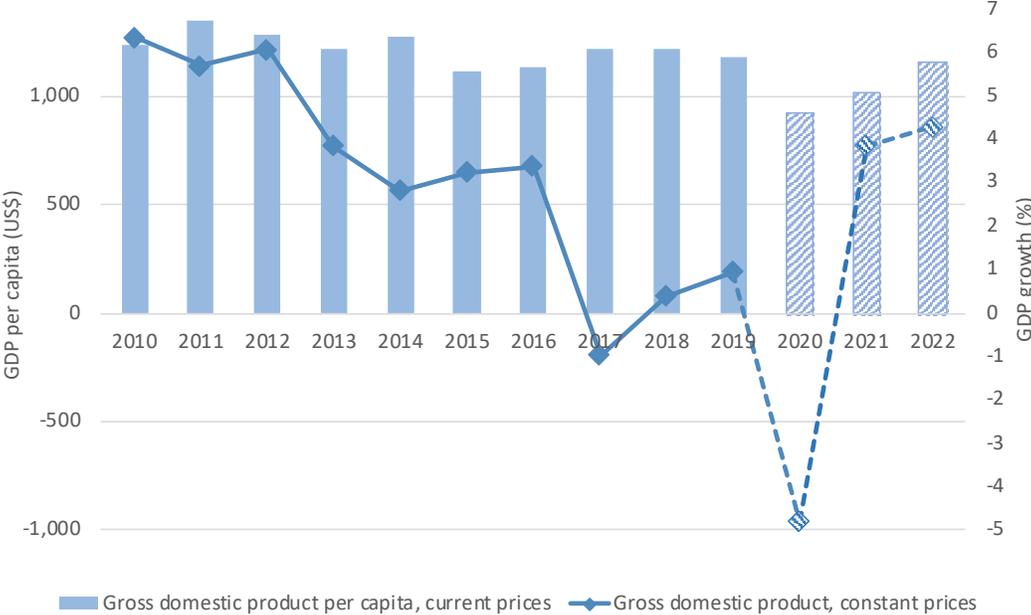
#### Progress Towards 2030 Agenda and the SDGs

Lesotho’s economy is heavily dependent on diamonds, textiles and the construction industry.

Since averaging growth rates of 6.0% between 2010-12, the Kingdom of Lesotho’s economy has steadily decelerated. In 2017, the economy of Lesotho fell into recession, which is has not yet recovered from. With growth only reaching 1.0% in 2019, it was insufficient to lift the economy to levels observed in 2016.

Stagnating GDP growth has also eroded GDP growth per capita, which peaked at US\$1,348 in 2011. By 2019, GDP per capita stood at just US\$1,185 (figure 3), which seriously threatens poverty alleviation (SDG1).

**Figure 3: GDP growth**



Source: IMF World Economic Outlook, October 2020

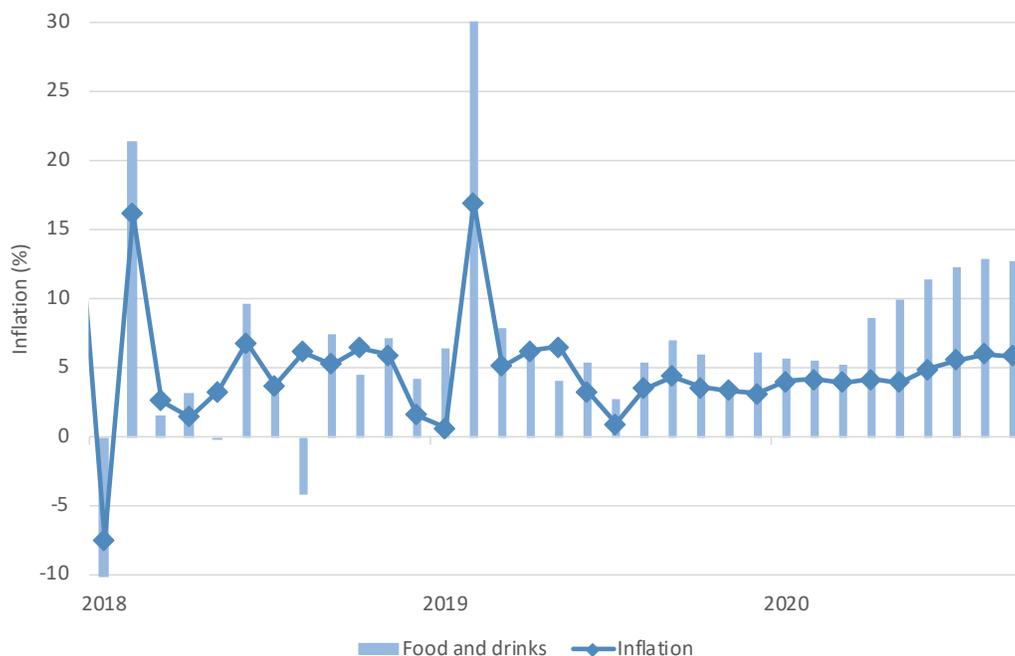
Falling incomes have suppressed aggregate demand in Lesotho, which in turn has enabled the Central Bank of Lesotho to maintain price stability (the Central Bank of Lesotho’s key objective is to maintain price stability, albeit through an exchange rate peg with the South African Rand).

Excluding a couple of anomalies, inflation has fluctuated around 4% over the recent period, which normally would be sufficient to preserve household income levels and yet still stimulate growth. However, food prices have continuously exceeded overall inflation (figure 4), thereby reducing the potential consumption basket of the most vulnerable (who spend a disproportionate amount of their income on food).

The Kingdom of Lesotho ratified the African Continental Free Trade Area (AfCFTA) on the 2nd November 2020<sup>2</sup>. The AfCFTA provides an opportunity for Africa to create the world’s largest free trade area, comprising 1.2 billion people and a US\$ 2.5 trillion market. In turn, the opportunity for Lesotho to increase its trade with the continent, and to trade more competitively, offers an opportunity to support real economic growth, the balance of payments, employment creation (see [EMPLOYMENT](#)) and thus poverty alleviation (see [POVERTY](#)).

<sup>2</sup> UNECA, 2020, Media Centre, Tunisia and Lesotho join growing number of countries to ratify AfCFTA one month to start of trading

Figure 4: inflation



Source: Lesotho Bureau of Statistics

### Impact of COVID-19

Economic growth is expected to contract by 4.8% in 2020<sup>3</sup>, due to the national lockdown earlier in the year, the protracted contraction in the mining sector and the global recession. However, the economy is expected to recover over the medium-term, to grow by 3.9% in 2021 and 4.3% in 2022, supported by the government's response to the pandemic and planned infrastructure investments.

The Ministry of Finance project a significant decline in government revenue in 2020/21 and over the medium-term due to the impact of COVID-19 on the economy and thus tax revenues. An unexpected boost in SACU revenue in 2020/21 will prevent a larger deterioration and provide some space for additional government expenditure to support the immediate COVID-19 response, but this is not expected to last (*figure 5*).

The COVID-19 pandemic will also necessitate a significant increase in government expenditure to support the health response and the socio-economic recovery. Indeed, the Central Bank of Lesotho anticipate that government expenditure will have to increase by 25% in 2020 in response to the COVID-19 pandemic<sup>4</sup>. The Government of Lesotho has already reallocated Maloti 698 million (US\$ 45 million) to the health sector and Maloti 1.2 billion (US\$ 78 million) towards food security (see [NUTRITION AND FOOD SECURITY](#)) and social protection (see [SOCIAL PROTECTION](#))<sup>5</sup>.

The combination of rising expenditure and falling revenue will exert pressure on the fiscal deficit, which is expected to fall from minus 1.3% of GDP in 2019 to minus 7.2% of GDP in 2020. Further, the fiscal deficit is not expected to recover over the medium-term, instead the Central Bank anticipates that it will

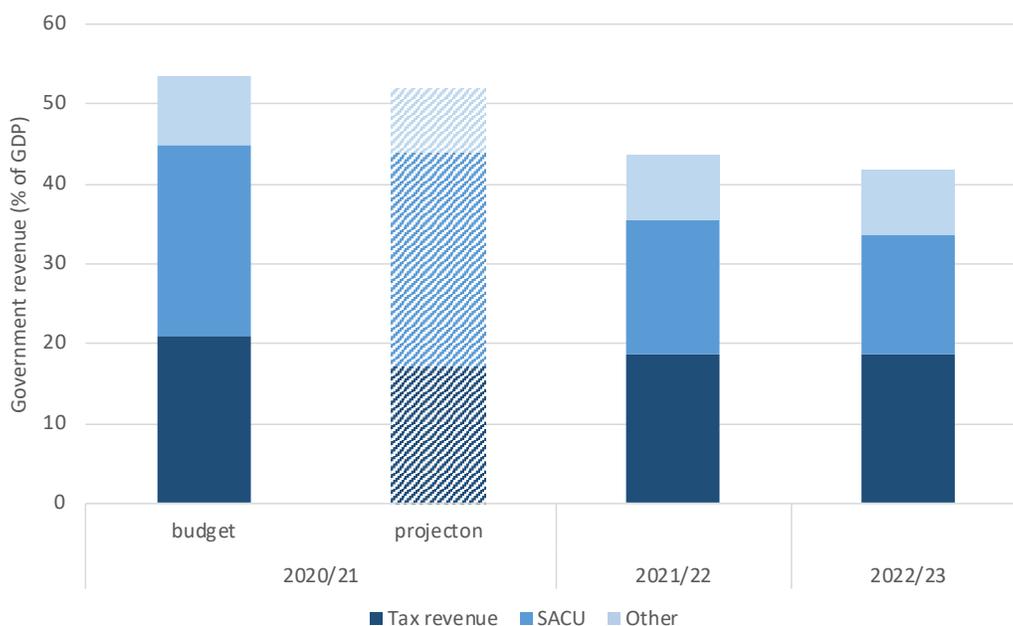
3 IMF, World Economic Outlook, October 2020

4 Central Bank of Lesotho, 2020, Lesotho Economic Outlook – June 2020

5 Parliament of the Kingdom of Lesotho, 2020, 2020/21 Mid Term Budget Review

deteriorate to 8.4% of GDP in 2021 and 9.0% of GDP in 2022, as government revenue recovers slowly and government expenditure remains necessarily high to support the economic recovery and the health response to the pandemic. According to the Central Bank, the fiscal deficit will be financed through a drawdown on government savings in the banking sector and increased domestic and external debt issuance<sup>6</sup>.

**Figure 5: Government revenue projections post-COVID-19**



Source: 2020/21 Mid Term Budget Review

However, the total debt burden is not expected to increase unsustainably, perhaps due to limited capacity to mobilise resources. The total public debt stock is expected to peak at 47.2% of GDP in 2020, from 46.5% of GDP in 2018-19<sup>7</sup>. In response to COVID-19, the IMF approved US\$ 16.5 million under the Rapid Credit Facility and US\$ 32.6 million under the Rapid Financing Instrument to prevent a balance of payments crisis, but with strict accountability and transparency requirements. Meanwhile, the World Bank approved US\$ 7.5 million under the Lesotho COVID-19 Emergency Preparedness and Response Project to strengthen national health systems<sup>8</sup>.

2020 remittance figures are not yet available, but they are likely to have fallen significantly as many Basotho migrants work in South Africa, which has been severely affected by the pandemic, in the mining sector, which has largely been shut down, or informal work, which is acutely vulnerable to lockdowns caused by the pandemic. The World Bank forecasts that globally remittances will fall by approximately 20% in 2020<sup>9</sup>, but remittances are likely to fall by more than the average in Lesotho given the fragile nature of work undertaken by the majority of Basotho migrants (see [MIGRATION](#)). Not only will falling remittances undermine vulnerable households’ resilience, but it also will enhance the need for social assistance.

6 Central Bank of Lesotho, 2020, Lesotho Economic Outlook – June 2020

7 IMF, 2020, World Economic Outlook Database – October 2020

8 World Bank, 2020, Projects and Operations, Lesotho COVID-19 Emergency Preparedness and Response Project

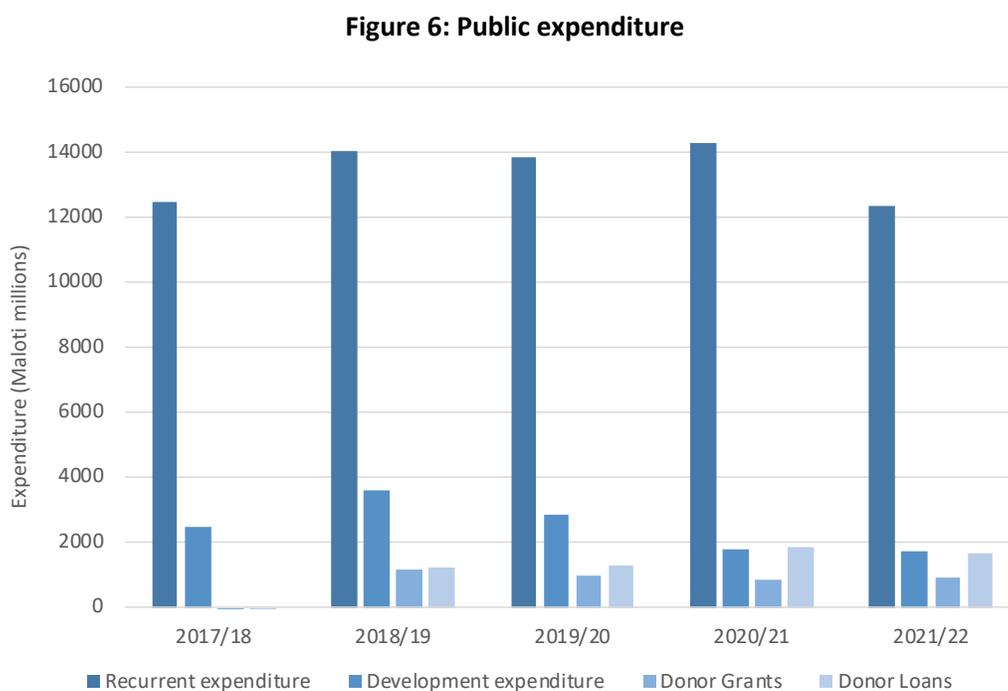
9 World Bank, 2020, Migration and Development Brief 32: COVID-19 Crisis through a Migration Lens

Foreign direct investment is likely to stall in 2020 as many planned infrastructure projects, including those in the mining, construction, fishing and medical cannabis industries, are put on hold. However, it is likely to return over the medium-term when planned infrastructure projects resume. In particular, phase 2 of the Lesotho Highlands Water Project (LHWP II) is expected to resume in 2021, which will increase foreign direct investment inflows into Lesotho<sup>10</sup>.

Lesotho has also experienced capital outflows in 2020 as investors move to safe havens. The IMF have projected that in 2020, capital outflows from low and middle-income countries will be the greatest on record. Given the ease with which investors can move money out of Lesotho and to safer assets in South Africa, Lesotho is also likely to experience a significant capital outflow.

### SDG Financing Landscape

The Government of Lesotho self-finances the majority of its public expenditure, with the remainder provided by donor grants and loans (*figure 6*). In 2019/20, the Ministry of Finance project that 86% of public expenditure was self-financed.



Source: 2019/20 Budget Book and 2020/21 Mid Term Budget Review

Tax revenue and Southern Africa Customs Union (SACU) receipts account for the majority of public revenue, although the Government has made limited progress in increasing tax revenue (*figure 7*). Lesotho's tax revenue to GDP is higher than in neighbouring South Africa, but is highly volatile and has fallen from 37% in 2012 to 32% in 2018<sup>11</sup>.

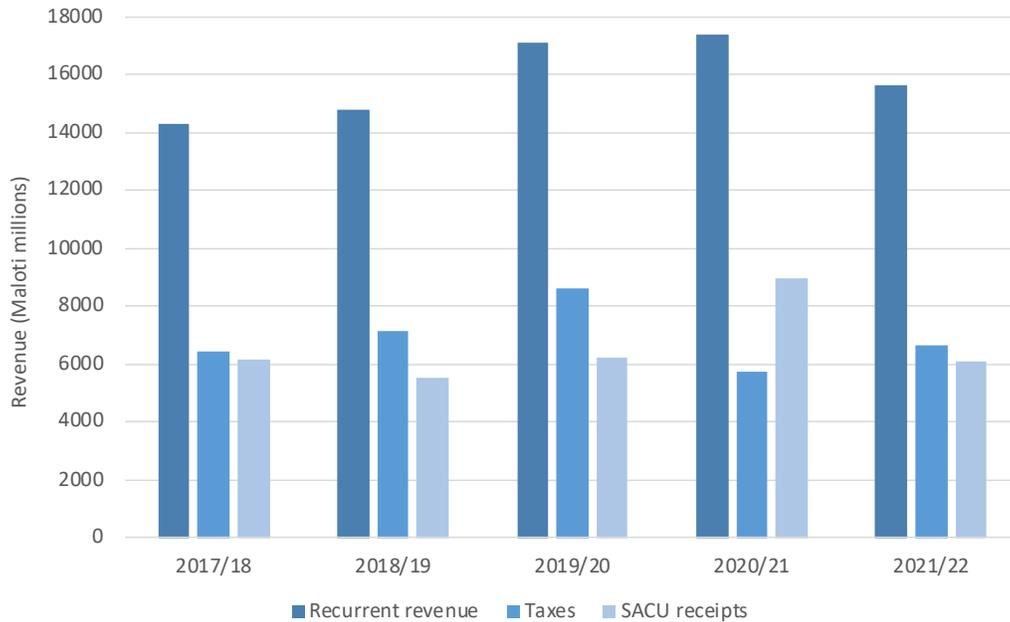
A significant portion of donor funds is not captured in the national budget of Lesotho, particularly donor grants, which tend to solely prioritise development expenditures. The Ministry of Development Planning estimates that in 2019/20 total donor grants into Lesotho amounted to US\$ 467 million, although only US\$ 76 million was recorded on budget, leaving up to US\$ 391 million in donor grants unaccounted for.

10 Central Bank of Lesotho, 2020, Lesotho Economic Outlook – June 2020

11 International Monetary Fund, Government Finance Statistics, 2020

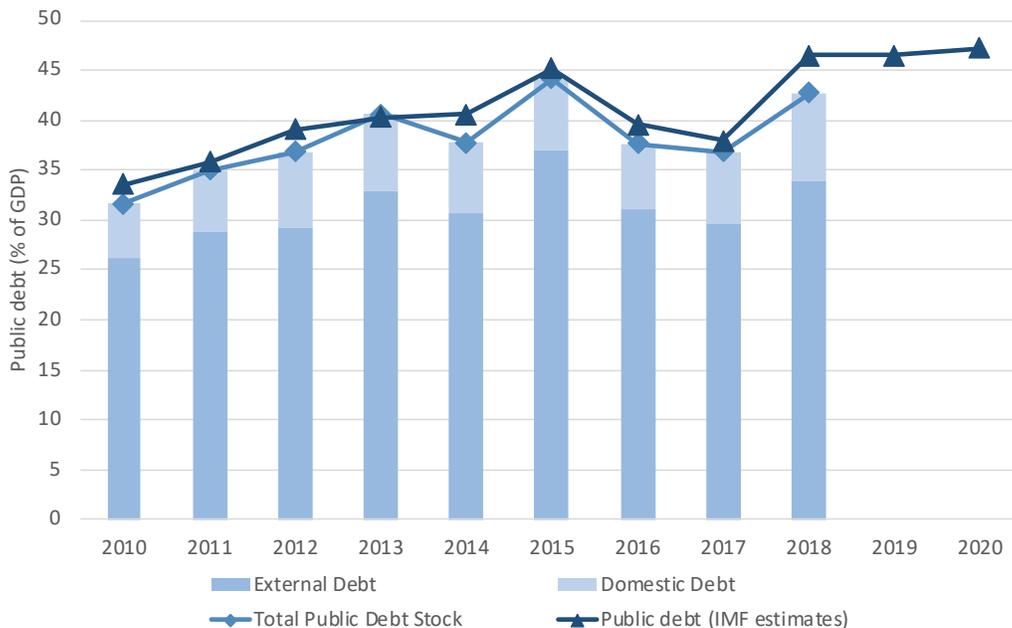
Similarly, the Ministry of Development Planning estimates that total donor loans into Lesotho amounted to US\$ 174 million, although only US\$ 154 million was recorded on budget, leaving up to US\$ 20 million in donor loans unaccounted for<sup>12</sup>. The lack of a fully functioning Development Aid Database prevents donor funds from being accurately identified and fully accounted for.

**Figure 7: Public revenue**



Source: 2019/20 Budget Book and 2020/21 Mid Term Budget Review

**Figure 8: Public debt**



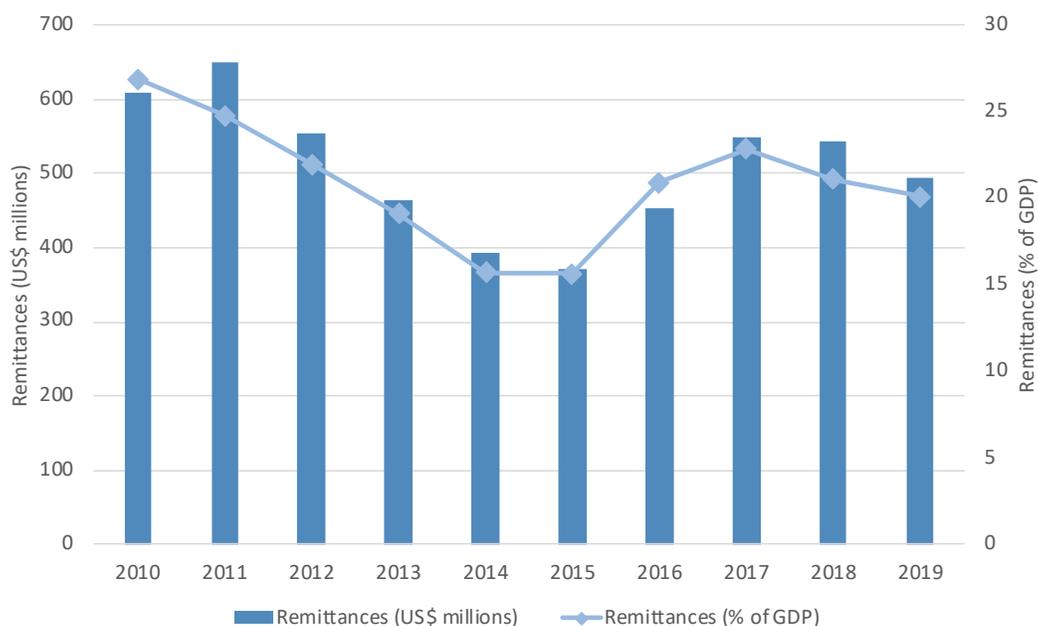
Source: Central Bank of Lesotho, 2020, Statistics and IMF WEO Outlook, October 2020

12 Ministry of Development Planning, Lesotho Development Cooperation Report 2019/20

SACU receipts have supported the Government of Lesotho to finance its development agenda and prevented significant debt accumulation. The total public debt stock in Lesotho has consistently remained below the IMF’s safeguard of 50%, and up to 2018 presented a safe trajectory of debt accumulation (the IMF further anticipate that debt will increase, but remain sustainable over the medium-term). The majority of debt is external, given the limited financial sector development within Lesotho (*figure 8*).

Personal remittances have also provided a valuable source of savings to the Kingdom of Lesotho. Personal remittances amounted to US\$ 495 million in 2019, or 20% of GDP<sup>13</sup> (*figure 9*), and provided a lifeline for 17% of families in Lesotho.<sup>14</sup> Interestingly, although personal remittances have grown substantially over the long-term, their share as a proportion of GDP has fallen over the long-term under the development of the services, mining and manufacturing sectors and decreasing employment in South African mines.

**Figure 9: Personal remittances**



Source: World Bank, World Development Indicators 2020

### Multidimensional Risks

Lesotho faces multiple and overlapping structural and economic challenges, which may compromise the attainment of the SDGs and economic growth targets. Persistent income inequality, high unemployment (see [EMPLOYMENT](#)) and poverty levels (see [POVERTY](#)), macroeconomic instability and political uncertainty (see [POLITICAL STABILITY](#)) all threaten Lesotho’s sustainable economic development. In addition, the lack of industrial development narrows the country’s economic base.

Economic fluctuations in South Africa have a significant impact on the economy of Lesotho, rendering the Kingdom of Lesotho vulnerable to its neighbour’s economic prowess. This is exacerbated by the fact that South Africa’s economic performance has the largest single impact on SACU receipts and thus Government revenue.

13 World Bank, World Development Indicators 2020

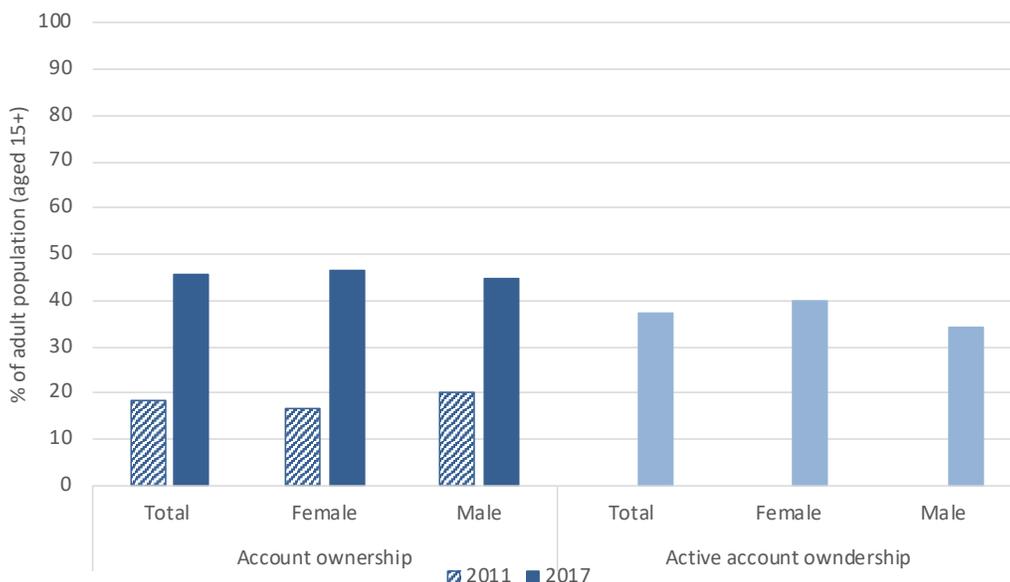
14 2020 March Lesotho Vulnerability Assessment Committee

SACU receipts are estimated to have accounted for 36% of total government revenue in 2019/20<sup>15</sup>, 52% in 2020/21 and 39% in 2021/22<sup>16</sup>. They are therefore extremely volatile and not within the control of the Government of Lesotho. Reliance on SACU receipts, and rapid disbursement of SACU revenue, threatens to have a procyclical effect on government expenditure (allowing it to increase in good years and decrease in bad years), which reduces Government capacity to protect the economy from shocks.

Although the AfCFTA offers enormous opportunity for the Kingdom of Lesotho to reap economic dividends from increased trade with the continent, Lesotho will face competition from its neighbours that are more industrially developed. In order to reap the benefits of the AfCFTA, analysis will be required as to how the Kingdom of Lesotho may best position itself in regional value chains.

Financial inclusion is relatively high in Lesotho, although the majority of those included favour alternative formal channels to banks or informal financial products<sup>17</sup>. Although bank account ownership has increased from 19% in 2011 to 46% in 2017 (latest available data), over half of the population remain unbanked. Active account ownership stands at just 37% of the population (*figure 10*).

**Figure 10: Account ownership**



Source: World Bank, G20 Financial Inclusion Indicators

A very small proportion of the population have used financial instruments; only 6% have borrowed from a financial institution or used a credit card and 29% have made a payment using a mobile phone or the internet (*figure 11*). Women outperform men in most indicators pertaining to financial inclusion, bar borrowing, and there is limited data on financial literacy.

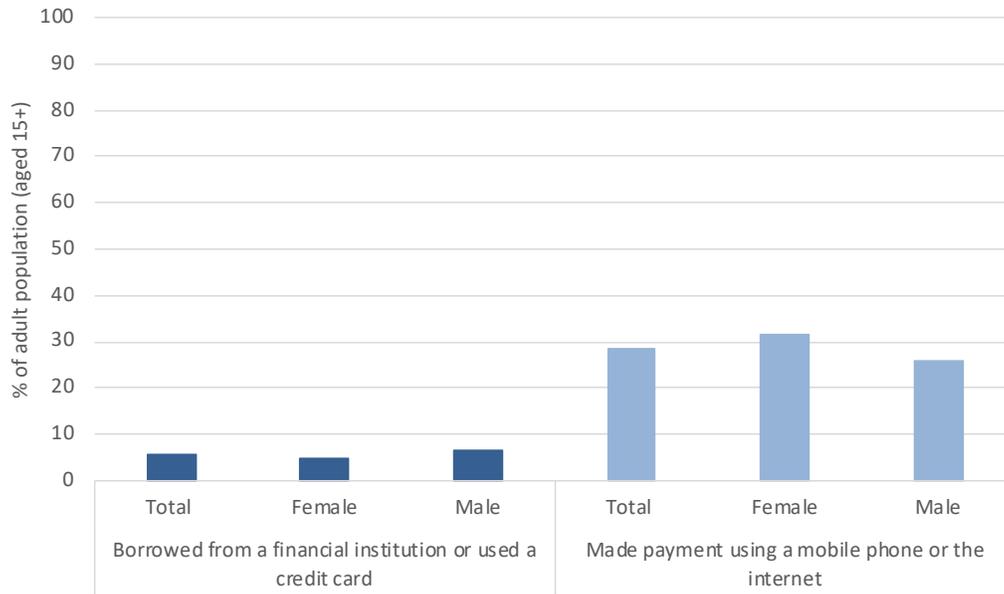
The Lesotho Financial Inclusion Roadmap (2014-20) provides a framework to support financial inclusion in Lesotho, highlighting the potential for innovations in mobile money to contribute to greater financial inclusion and literacy, and subsequently to innovation, private sector development and economic growth.

15 Ministry of Finance, 2019, 2019/20 Budget Book

16 Parliament of the Kingdom of Lesotho, 2020, 2020/21 Mid Term Budget Review

17 UNCDF and FinMark Trust, Lesotho Financial Inclusion Roadmap, 2014–2020

**Figure 11: Usage of financial instruments**

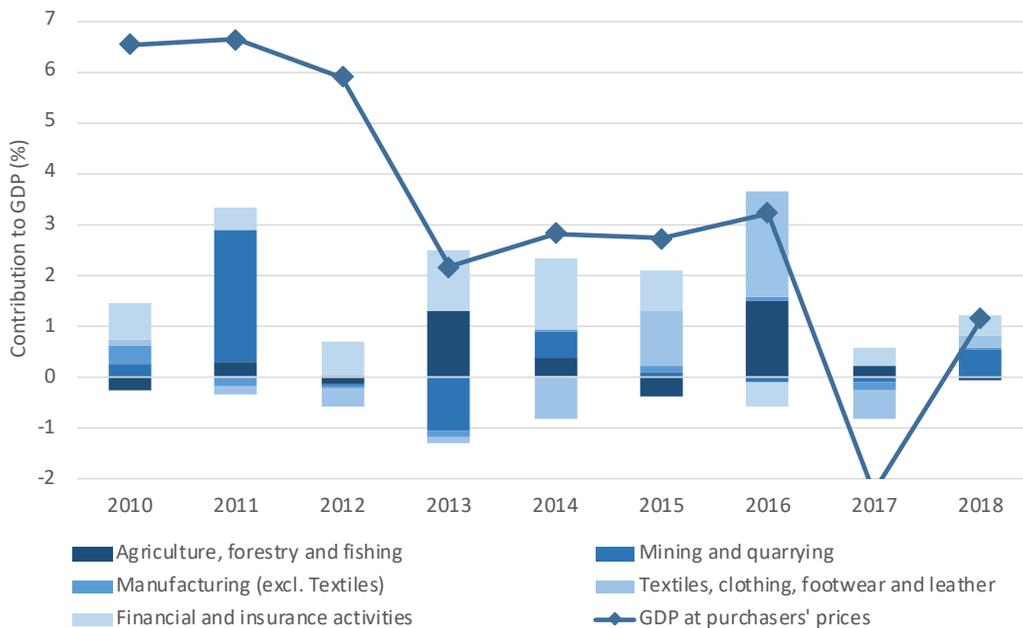


Source: World Bank, G20 Financial Inclusion Indicators

**PRIVATE SECTOR**

Progress Towards 2030 Agenda and the SDGs

**Figure 12: Contributions to GDP growth**



Source: Lesotho Bureau of Statistics

Lesotho's second National Strategic Development Plan (NSDP II) targets private sector led job creation through four priority sectors: Agriculture, Manufacturing, Tourism and Creative Industries, and Technology and Innovation. However, of these sectors, only manufacturing (and agriculture in a productive year) contributes significantly to economic activity. The largest continuous contributors to

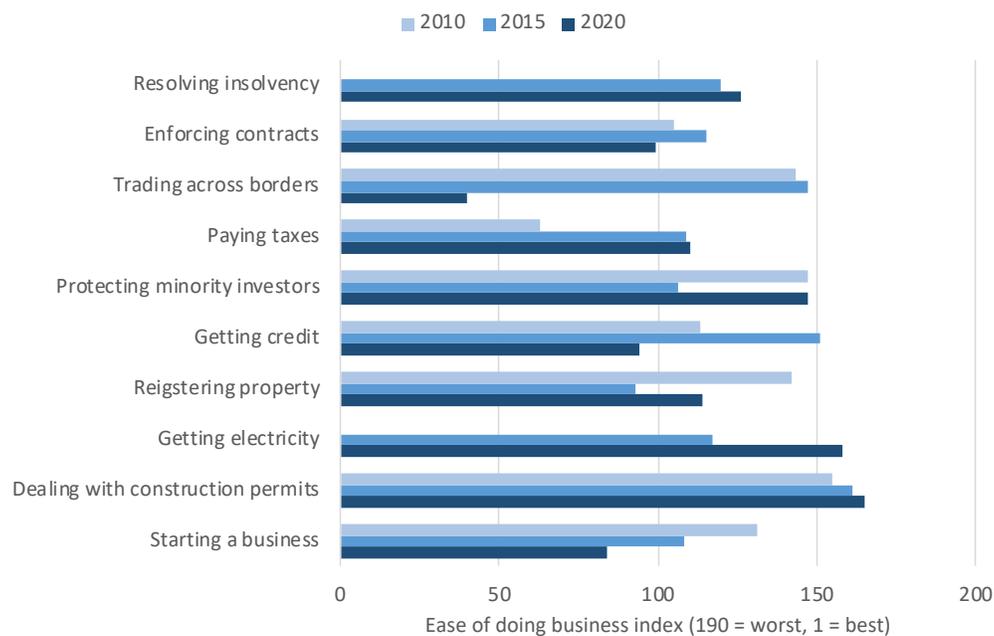
economic activity in Lesotho are mining and quarrying, textiles and financial and insurance activities (figure 12).

Lesotho’s textiles sector has benefitted under the African Growth and Opportunities Act (AGOA), which has allowed Lesotho to export over US\$ 3 million in exports to the US per year. The sector employs over 40,000 people, the majority of whom are women.

The private sector is highly informal and there are many MSMEs. Over 50% of MSMEs operate in the agriculture and wholesale and retail sectors. There is limited innovation and value addition; 30% buy and sell goods in the same form. A lack of sophistication amongst MSMEs prevents them from being innovative and productive, from accessing formal financial services and therefore from investing in their business development<sup>18</sup>.

Technology is a cross-cutting sector that may improve the productivity and growth of many sectors; in particular, there is ample space for technology to contribute towards the financial sector, which is already a strong contributor to Lesotho’s economic growth. However, the state of Lesotho’s connectivity scores relatively poorly, at only 41% on the GSMA Mobile Connectivity Index<sup>19</sup>. Under the GSMA index, Lesotho scores relatively well on consumer readiness (67%) and connectivity (60% - although network coverage scores higher than network performance), but relatively weak on affordability (30%) and content and services (23%).

**Figure 13: Ease of Doing Business**



Source: World Bank, Ease of Doing Business 2020

Government support for the private sector has improved marginally. The World Bank’s Ease of Doing Business Index for Lesotho has increased from 130 (out of 183) in 2010 to 122 (out of 190) in 2020. Some indicators, such as resolving insolvency, paying taxes, getting electricity and dealing with construction

<sup>18</sup> Finscope 2015

<sup>19</sup> 2019 GSMA Mobile Connectivity Index,

<https://www.mobileconnectivityindex.com/#year=2019&zoneIsocode=LSO&analysisView=LSO>

permits have deteriorated over the past decade. Only trading across borders, getting credit and starting a business show significant improvement to the business environment (*figure 13*). However, where indicators have improved it is a result of the Government of Lesotho’s policies to expand trade and diversify the economy.

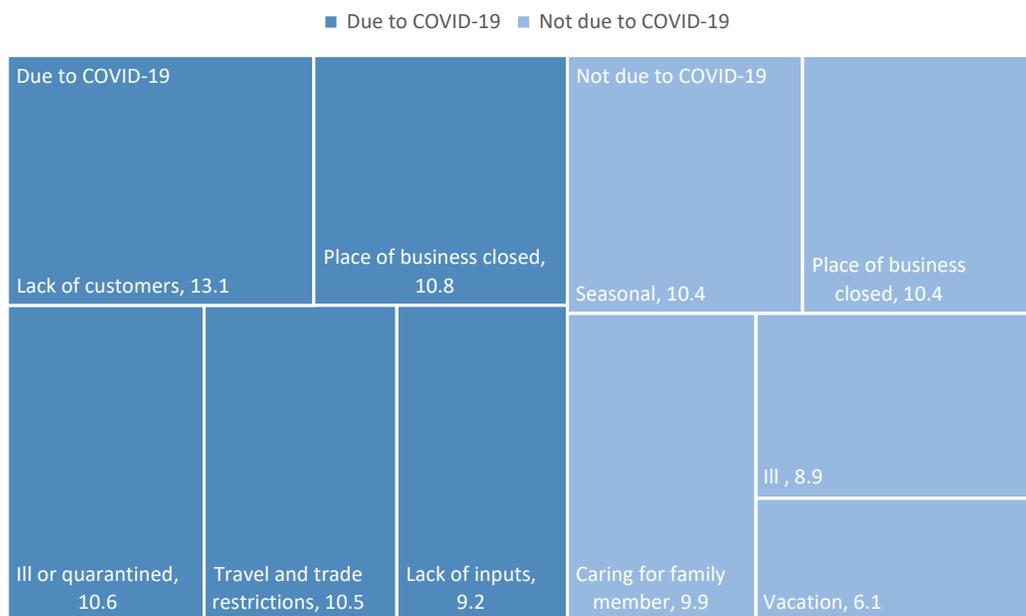
The Government has established the Economic Labs project, founded on the Big Fast Results methodology, to mobilize private sector investment and participation in creating employment and economic growth in context of the NSDP II.

### Impact of COVID-19

The textiles sector is expected to contract by 25.4% in 2020 due to disrupted input supply chains (from Asia), reduced production as factories closed and weak global demand (particularly from the US and South Africa). The textiles and clothing industry is expected to recover over the medium-term, but it may not recover to pre-2020 levels by 2022, thereby risking a permanent decrease in job creation.

According to the National Bureau of Statistics, 25% of family businesses (an indicator of the impact on MSMEs) received no revenue during the national COVID-19 lockdown and 26% experienced a decrease in revenue. Interestingly, 24% of family businesses reported higher revenue than usual during the national COVID-19 lockdown<sup>20</sup>. Of those that received a decrease in revenue or no revenue during the lockdown, the majority cited lack of customers as the main reason (*figure 14*).

**Figure 14: MSMEs reasoning for reduced income**



Source: Bureau of Statistics, Covid-19 Socio-Economic Impact on Households Survey, October 2020

The Government of Lesotho enacted tax relief measures, including the deferment of Company Income Tax, Pay As You Earn and VAT to support businesses cash flow during the pandemic, and launched a 3 month grant scheme for MSMEs in the tourism and transport sectors and for informal businesses through the Private Sector Competitiveness Project. In addition, Maloti 1.2 billion (US\$ 77 million) was reallocated

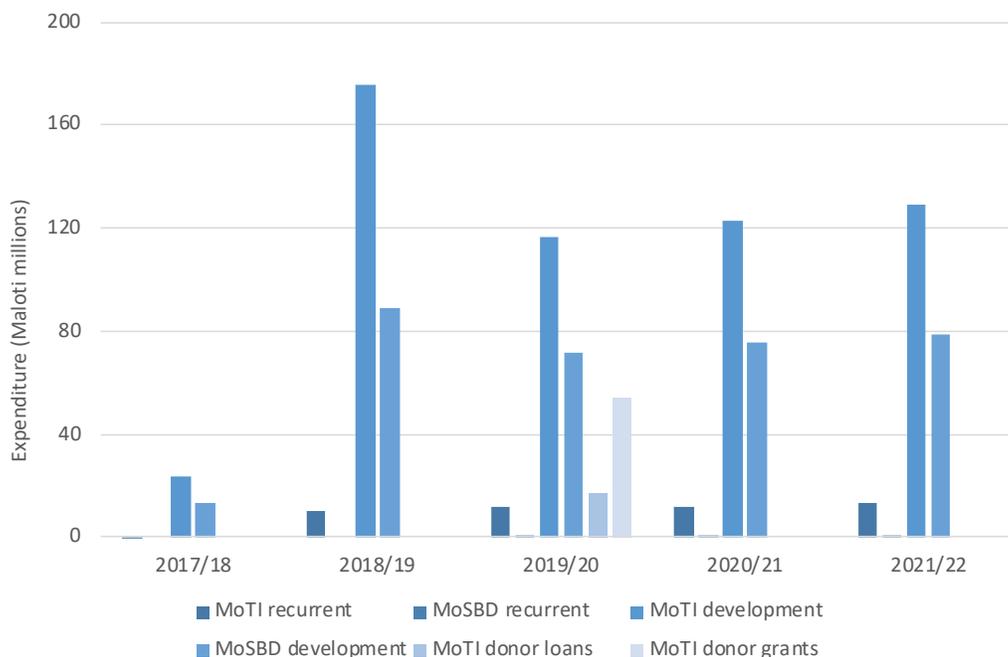
<sup>20</sup> Bureau of Statistics, Covid-19 Socio-Economic Impact on Households Survey, October 2020

from the Government Budget to finance salary subsidies for factory workers, agricultural subsidies, and social protection schemes<sup>21</sup>.

### SDG Financing Landscape

In 2019/20 planned expenditure by the Ministry of Trade and Industry and the Ministry of Small Business Development amounted to Maloti 202 million (US\$ 13 million), down from 275 million (US\$ 18 million) in 2018/19. Of the Maloti 202 million (US\$ 13 million), Maloti 71 million (US\$ 5 million) is expected to be financed by donors (*figure 15*).

**Figure 15: Expenditure by Ministry of Trade and Industry and Ministry of Small Business Development**



Source: 2019/20 Budget Book

### Leaving No One Behind, Human Rights, Gender Equality and Women’s Empowerment, Environmental Stewardship

Leaving No One Behind is mainstreamed into the NSDP II. Lesotho aims to promote an export driven economy, by ‘engaging citizens, empowering individuals and encouraging participation in the development process’<sup>22</sup>. NSDP II explicitly refers to the inclusion of youth, the elderly, people living in rural settings and people with disabilities in Lesotho’s development agenda.

### Multidimensional Risks

Informal businesses and MSMEs are less able to access formal financial services and government support services. Inadequate financial literacy and digital financial literacy amongst the population, and inadequate government financial literacy support, also constrains financial inclusion and private sector development, particularly amongst MSMEs.

21 Parliament of the Kingdom of Lesotho, 2020, 2020/21 Mid Term Budget Review

22 The Government of Lesotho, National Strategic Development Plan, 2018/19- 2022/23

Regulations also limit the adoption of technology for business development, incubation and innovation. Lesotho’s policy on intellectual property and copyright is undefined, which discourages new innovations and industrial standards.

Inadequate and low-quality infrastructure also hinders competitiveness, whilst weak human capital and skill gaps affect service delivery and firm competitiveness.

Private sector credit growth is strong, averaging 10% in 2018 and 9% in 2019 (where data is available)<sup>23</sup>, however this has not translated into real economic growth. If an increase in private sector credit growth does not produce real economic activity, then the risk of non-performing loans poses a systemic risk to the financial sector and to the private sector, who will become overly indebted.

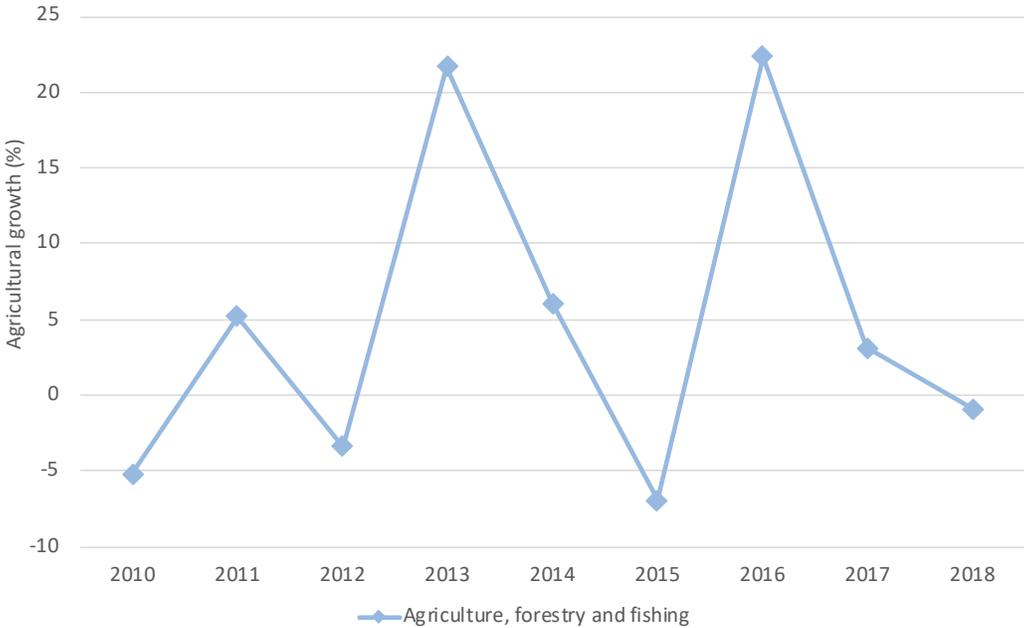
The African Growth and Opportunities Act (AGOA) will end in 2025. If it is not renewed, or other trade agreements are not made, then the Kingdom of Lesotho will need to invest in the textile sector to maintain its competitiveness. The AGOA is further at risk from Lesotho’s downgrade in the global Trafficking in Persons (TIP) rankings to Tier 3, which may threaten US-Lesotho economic agreements.

**AGRICULTURE**

*Progress Towards 2030 Agenda and the SDGs*

Only 10% of Lesotho's total land area is arable, and only 0.05% of agricultural land is irrigated. Yet approximately 75% of the rural population are smallholder subsistence farmers. Lesotho has a large livestock population and woollen mohair provides a source of livelihood for many farmers. The agricultural sector is characterised by low-input, low-output rainfed cereal production and extensive animal grazing.

**Figure 16: Growth of the agricultural sector**



Source: World Bank, World Development Indicators, 2020

The performance of the agricultural sector has become increasingly erratic as climate change affects yields (see [CLIMATE CHANGE](#)) and many smallholder farmers do not have access to irrigation or climate smart agricultural technologies (*figure 16*), whilst many pastoralists have experienced steady land degradation. Between 2018 and 2019, food production decreased by 76% due to drought and farmers dependence on rain-fed agriculture. Erratic rainfall and above-average temperatures between December 2019 and March 2020 have further increased the likelihood of a reduced harvest in 2020<sup>24</sup>.

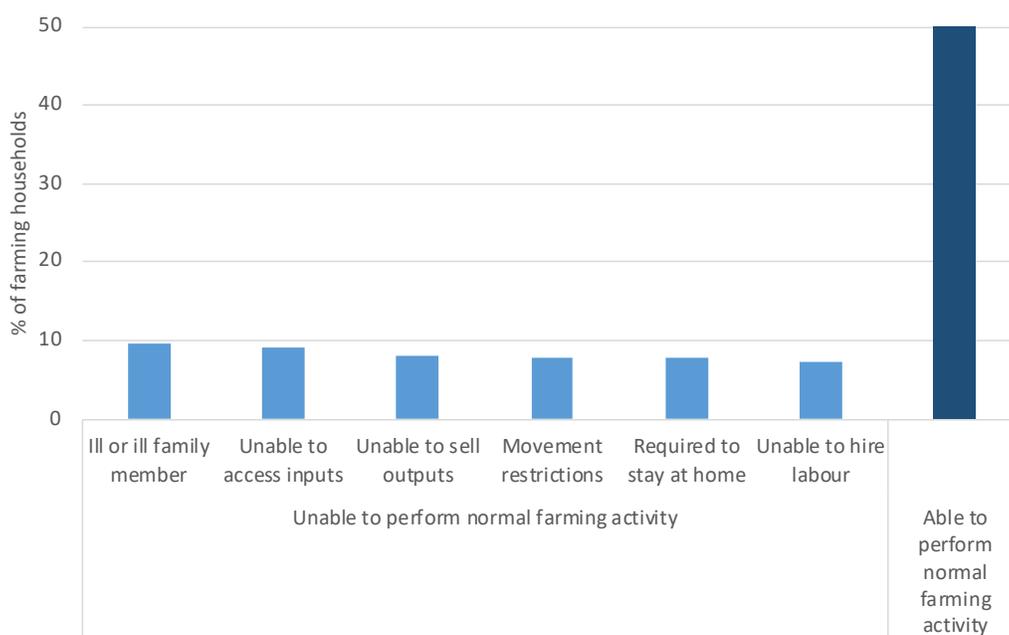
Rural agricultural labourers typically depend on remittances to pay for their inputs and thus are highly vulnerable to the state of the economy. Low private sector investment in agriculture has translated into low use of irrigation schemes, limited uptake of new technologies, low access to credit and low quality of extension and advisory services.

Data from the Lesotho Vulnerability Assessment Committee (LVAC) highlights that the agriculture sector is not able to meet the food demand of the population, implying that large shares have to be imported (see [NUTRITION AND FOOD SECURITY](#)). Weak agricultural growth threatens the achievement of zero hunger (SDG2) in the Kingdom of Lesotho

### Impact of COVID-19

A rapid assessment on the impact of COVID-19 on agriculture and food security by the Lesotho National Farmers Union (LENAFU) suggests a severe impact on production chains<sup>25</sup>. Harvests were lost due to closed markets or farmers not being allowed to access their fields. There were delays in the onset of the wool and mohair shearing season, which compromised both the quantity and quality of material produced. In addition, the lockdown also affected the procurement and distribution of livestock vaccines and drugs, which resulted in increased livestock disease and lower livestock prices.

**Figure 17: Farming activity during COVID-19 lockdown**



Source: Bureau of Statistics, Covid-19 Socio-Economic Impact on Households Survey, October 2020

24 Food Insecurity and Vulnerability Monitoring System (FIVMS)

25 LENAFU, 2020, Impacts of COVID 19 Lockdown on Agriculture and Food Security Sector in Lesotho: A Rapid Assessment

A survey from the Bureau of Statistics highlighted that during the COVID-19 lockdown, over 50% of households had not been able to perform normal activities on their farm (*figure 17*) and 46% of households had products that they needed to sell on their farm<sup>26</sup>.

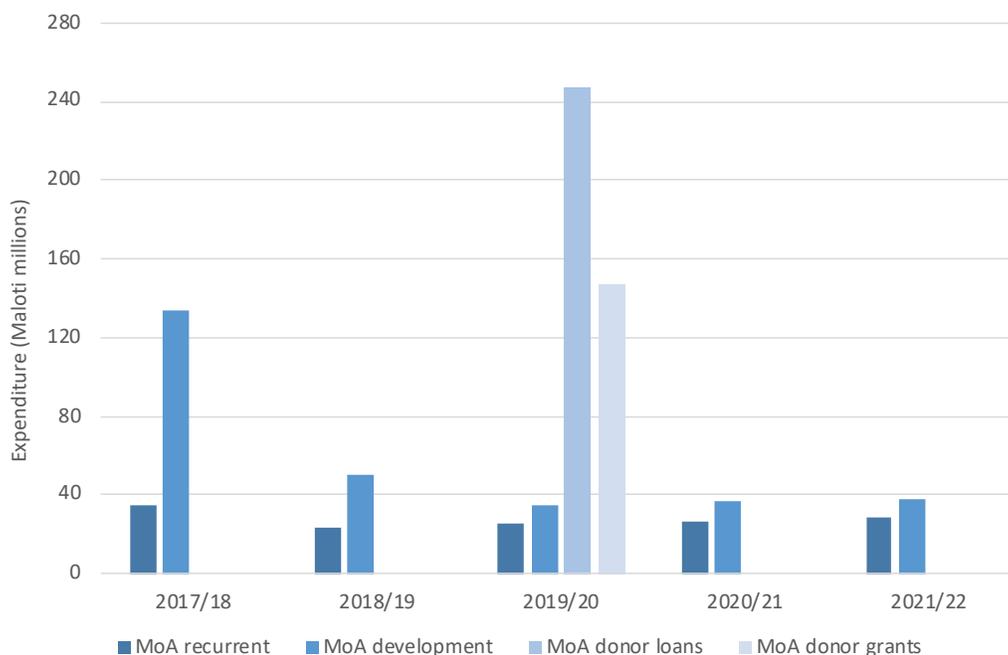
Yet closed international borders have also encouraged farmers to increase production for the domestic market. Despite limited access to markets during the height of the lockdown, the agricultural sector is forecast to grow by 2.3% in 2020.

### SDG Financing Landscape

The Government of Lesotho’s estimated resource gap for ‘Agriculture and Food Security’ stands at US\$ 80 million. However, the government’s ability to assist the agricultural sector will be limited due to heightened domestic revenue shortfalls during the pandemic (see [ECONOMIC GROWTH](#)).

Donor financing accounts for the majority of expenditure by the Ministry of Agriculture; in 2019/20, total expenditure by the Ministry of Agriculture accounted for Maloti 455 million (US\$ 30 million), of which Maloti 394 million (US\$ 26 million) was provided by donors (*figure 18*). Aid disbursed to the wider agricultural sector increased from US\$ 24 million in 2018/19, to US\$ 57 million in 2019/20, to account for 15% of all donor disbursements<sup>27</sup>.

**Figure 18: Expenditure by Ministry of Agriculture**



Source: 2019/20 Budget Book

### Leaving No One Behind, Human Rights, Gender Equality and Women’s Empowerment, Environmental Stewardship

That the majority of rural Basotho depend on an underperforming agricultural sector highlights the divide between the rural and urban populations in Lesotho.

<sup>26</sup> Bureau of Statistics, Covid-19 Socio-Economic Impact on Households Survey, October 2020

<sup>27</sup> Ministry of Development Planning, Lesotho Development Cooperation Report 2019/20

Smallholder farmers are particularly vulnerable to market forces and climate change. They tend to be reliant on external remittances to pay for their inputs and do not have appropriate technologies to protect themselves from the effects of climate change (see [CLIMATE CHANGE](#)).

**Multidimensional Risks**

Rural agricultural labourers’ dependence on remittances (see [ECONOMIC GROWTH](#)) to pay for their inputs renders them highly vulnerable to the state of the economy.

Climate change has exacerbated soil erosion and land degradation and has resulted in lower yields and less predictable harvests (see [CLIMATE CHANGE](#)).

Many rural smallholder farmers are already vulnerable, and the underperforming agricultural sector exacerbates their vulnerability and increases the risk that they may fall into poverty (see [POVERTY](#)).

The underperforming agricultural sector, and related food insecurity, contributes towards high levels of emigration from Lesotho (see [MIGRATION](#)).

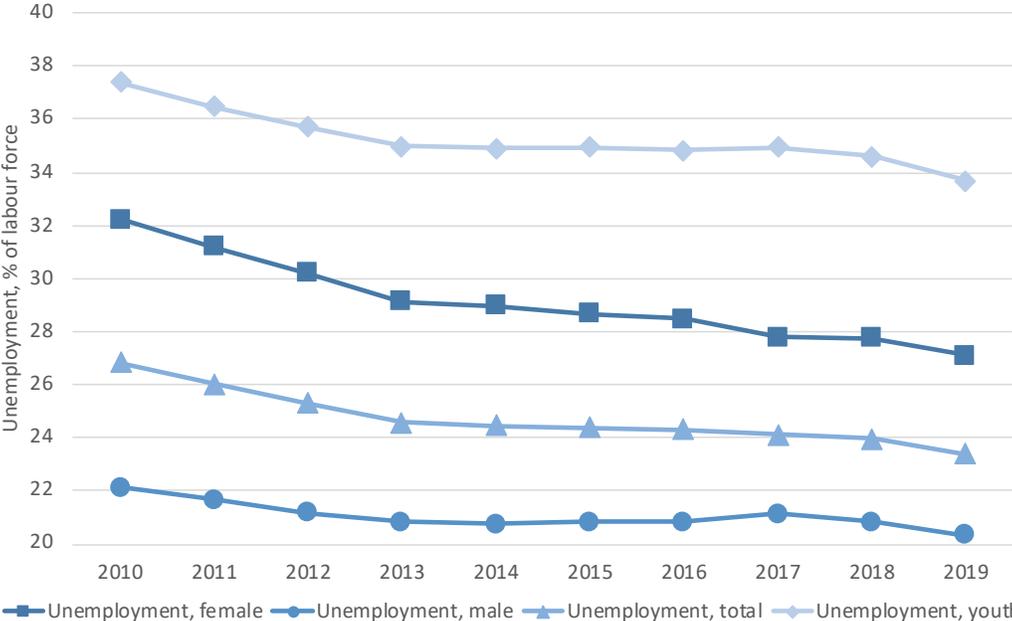
Although the Government of Lesotho is keen to support the agricultural sector, inter-ministerial coordination is limited and often politicised. The rather fragile political landscape interferes with the need for long-term integrated planning across ministries (see [GOVERNANCE](#)).

**EMPLOYMENT**

**Progress Towards 2030 Agenda and the SDGs**

49% of Lesotho’s labour force are employed in services, 42% in industry and 9% in agriculture<sup>28</sup>. Micro, small and medium sized enterprises (MSMEs) dominate Lesotho’s private sector and account for the majority of private sector employment (see [PRIVATE SECTOR](#)).

**Figure 19: Unemployment**



Source: World Bank, Sustainable Development Goals, 2020

Lesotho's unemployment rate declined from 27% in 2010 to 23% in 2019 (*figure 19*). However, both female and youth unemployment are higher than the average; female unemployment stood at 27% in 2019 and youth unemployment at 34%<sup>29</sup>.

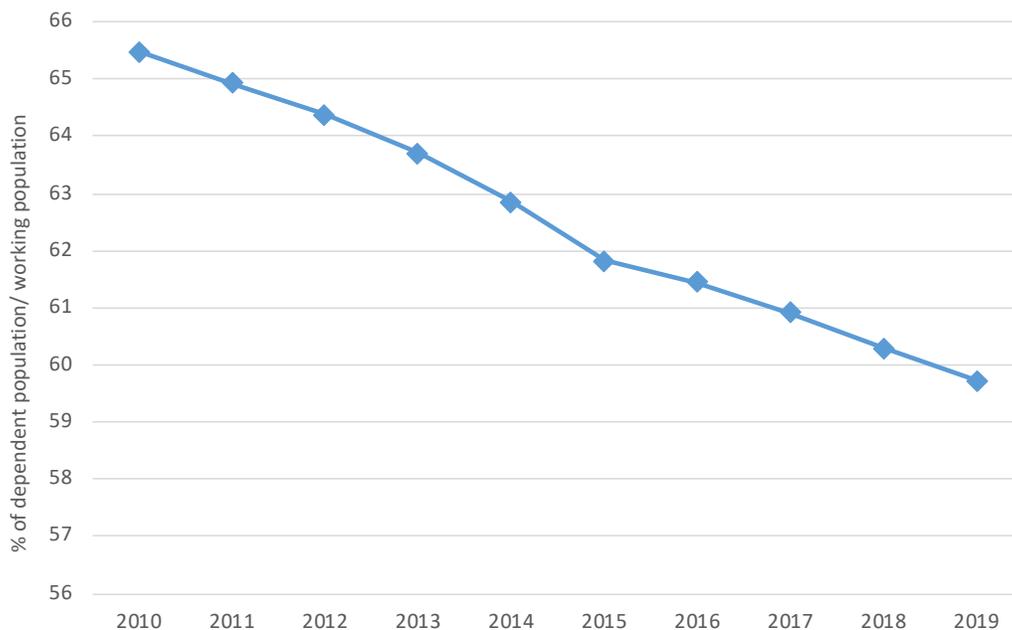
Although youth unemployment has declined from 37% in 2010, it remains a persistent challenge. A general mismatch between skills and labour market demands, weak infrastructure and a limited investment environment (see [PRIVATE SECTOR](#)) have adversely affected employment opportunities, which in turn threatens the realisation of poverty alleviation (SDG1, see [POVERTY](#)) and decent work for all (SDG8).

The Government of Lesotho has adopted a Youth Development Policy and is currently reviewing the MSME Policy to address unemployment.

#### A DEMOGRAPHIC TRANSITION MAY PRESENT AN OPPORTUNITY TO THE KINGDOM OF LESOTHO.

Despite Lesotho's low population growth rate (in 2019, Lesotho's population growth rate reached its highest in over 20 years, at just 0.8%<sup>30</sup>), Lesotho has experienced some degree of demographic shift. A growing working-age population has decreased Lesotho's dependency ratio (*figure 20*), which offers an opportunity to fast track growth and development dividends.

**Figure 20: Lesotho's demographic transition**



Source: World Bank, World Development Indicators

However, high unemployment rates may limit Lesotho's potential to benefit from a demographic transition.

29 World Bank, Sustainable Development Goals, 2020

30 World Bank, 2020, World Development Indicators

## Impact of COVID-19

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Unemployment is expected to rise in 2020 as large employment-generation sectors (in particular mining and textiles) suffer considerable contractions. Further, many Basotho migrate to South Africa, where the majority work in mines, construction, agriculture or the informal sector and send remittances to their families in Lesotho. Basotho migrants are also likely to have lost their jobs during the pandemic and will be forced to return home, increasing the overall number of unemployed individuals in Lesotho (see [MIGRATION](#)). The fall in remittances (equal to 20% of GDP in 2019<sup>31</sup>) is also likely to have a significant negative impact on household income and risks pushing more vulnerable households into poverty.

According to a recent impact assessment by the Bureau of Statistics, 23% of the employed population lost their employment during the COVID-19 pandemic. The majority of those who lost their employment (59%) cited the closure of their office as the main reason<sup>32</sup>. Further, 30% of the population that were employed in wage employment lost their employment during the pandemic and the loss of wage employment was more acutely felt for women<sup>33</sup>.

## Leaving No One Behind, Human Rights, Gender Equality and Women's Empowerment, Environmental Stewardship

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There is a high level of underemployment and underpaid employment in Lesotho; 40% of workers live below the poverty line (see [POVERTY](#)). Women, youth and people with disabilities are particularly vulnerable to underpaid employment or unemployment.

Despite high educational attainment, women are still discriminated in areas of employment, salary earnings and access to economic resources<sup>34</sup> (see [GENDER](#)).

People with disability constitute 3% of the population in Lesotho, 59% of whom are women. However, according to LNFOD, only 3% of people with disabilities have full employment. To address the rights of people with disabilities, the Government of Lesotho has included the Washington Questions in the National Census to enable a more inclusive data collection, has established the National Disability and Rehabilitation Policy and is in the process of drafting the Disability Equity Law.

## Multidimensional Risks

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If the economy is unable to absorb the additional labour entering the labour force, then the unemployment rate will increase, and productivity will fall.

To harness the demographic dividend, Lesotho must also achieve female empowerment, through improving female health and education outcomes and increasing women's economic and social inclusion, so that women may also contribute towards productive economic activity (see [GENDER](#)).

The Kingdom of Lesotho has made significant gains in terms of human capital accumulation, especially in education (see [EDUCATION](#)). However, the advances made are eroded by the brain drain. Indeed, Lesotho is amongst the top 10 countries globally experiencing brain drain: Lesotho's emigration stood at over 30% of the skilled labour force in 2019, compared to a global average of just 5%<sup>35</sup>. The gap between

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31 World Bank, World Development Indicators, 2020

32 Bureau of Statistics, Covid-19 Socio-Economic Impact on Households Survey, October 2020

33 Bureau of Statistics, Covid-19 Socio-Economic Impact on Households Survey, October 2020

34 Global Gender Gap

35 United Nations, Department of Economic and Social Affairs, Population Division, 2020,

male and female emigration is minimal. The limited availability of skilled labour, due to high emigration, reduces Lesotho’s economic productivity and reduces foreign direct investment. However, whilst Lesotho loses fiscal resources from emigration, it also receives a large amount of remittances from emigration (see [ECONOMIC GROWTH](#)).

Youth unemployment is particularly high. If young people are not embraced into formal economic activity, then there is a risk of long-term economic unproductivity as their skills are wasted (see [ECONOMIC GROWTH](#)) and of instability (see [HUMANITARIAN-DEVELOPMENT-PEACE NEXUS](#)).

There is also a risk that work-place grievances are frequently not adequately settled (see [GOVERNANCE](#)), resulting in public dissatisfaction and protests or stay-at-homes (see [HUMANITARIAN-DEVELOPMENT-PEACE NEXUS](#)).

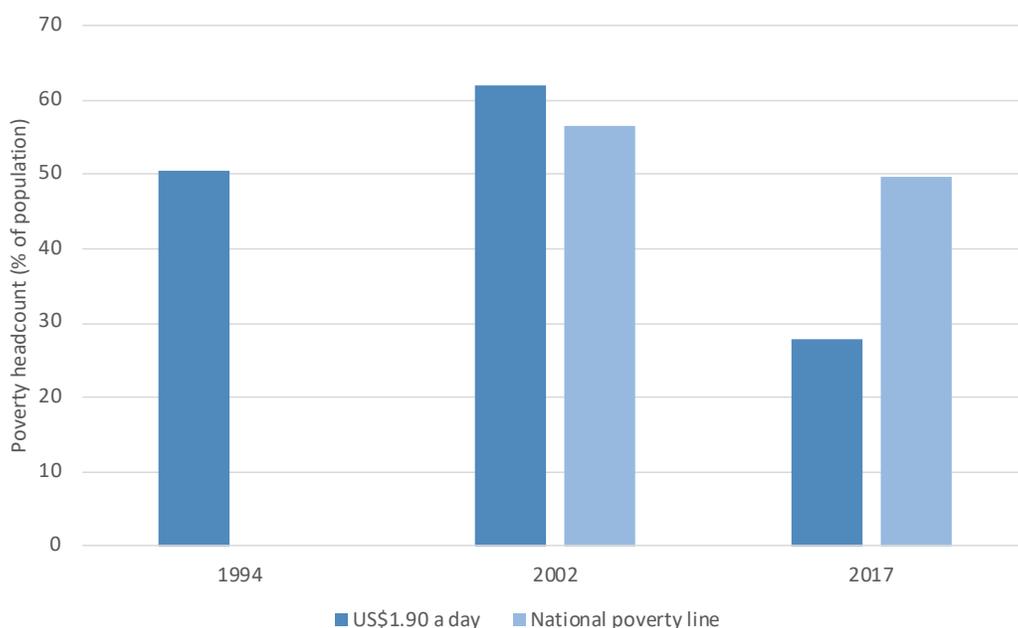
## SOCIAL INCLUSION

### POVERTY

#### Progress Towards 2030 Agenda and the SDGs

28% of the population of Lesotho live on less than US\$1.90 a day, whilst 50% of the population live below the national poverty line<sup>36</sup>. The poverty headcount ratio in Lesotho has been slow to fall, particularly at the national poverty line and in rural areas (*figure 21*). The fall in the poverty headcount can be attributed to improved access to basic public services, education and social protection programmes, all implemented by the Government of Lesotho.

**Figure 21: Poverty headcount**



Source: World Bank, World Development Indicators, 2020

Further, Lesotho's Human Development Index (HDI) value was 0.518 in 2018, or ranked 164 out of 189 countries, and therefore fell into UNDP's 'low human development category'<sup>37</sup>.

### Impact of COVID-19

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The COVID-19 pandemic is expected to exacerbate individual and household vulnerability and poverty levels. Poverty is expected to increase by 1.2% in 2020 as a direct result of the pandemic, or 1.9% in a worst-case scenario.

An assessment on the resilience of households to stay at home without irreversible damage to their health and welfare<sup>38</sup> estimated that in Lesotho only 9% of the urban population could survive a lockdown without experiencing heightened vulnerability. Further, the rural population had even less capacity to survive a lockdown.

### Leaving No One Behind, Human Rights, Gender Equality and Women's Empowerment, Environmental Stewardship

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People living in rural areas, women and children are disproportionately poor.

Despite numerous child-focused poverty reduction programs, children remain the hardest hit by poverty in Lesotho: 65% of all children in Lesotho are simultaneously deprived of at least three basic social services. According to the National Information System for Social Assistance (NISSA), there are 101,820 chronic poor families (468,372 people, or 21% of the population), of which 69%, or 70,519 families, are with children<sup>39</sup>.

In addition, children living in rural areas, child workers, children with disabilities, orphans, children in foster care and those born to unmarried parents, children in street situations and children of foreign nationalities face barriers in accessing birth registration, which negatively affects their right to a nationality, increasing their vulnerability and risk of poverty<sup>40</sup>.

### Multidimensional Risks

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Persistent and high inequality threatens to slow poverty alleviation. The Kingdom of Lesotho is amongst the top 20 countries in the world for inequality and has deteriorated in recent years (*figure 22*). In 2019, the GINI coefficient stood at 51<sup>41</sup>.

Persons living in poverty, or close to the poverty line, are more vulnerable irregular migration and more exposed to human trafficking (see [MIGRATION](#)). The Government of Lesotho has strengthened efforts to sensitise officials, community leaders and vulnerable groups on trafficking in persons, however the Government needs to work further to prevent human trafficking, protect the victims of human trafficking and prosecute human traffickers and associated criminal networks.

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37 UNDP, Human Development Report 2019, Lesotho

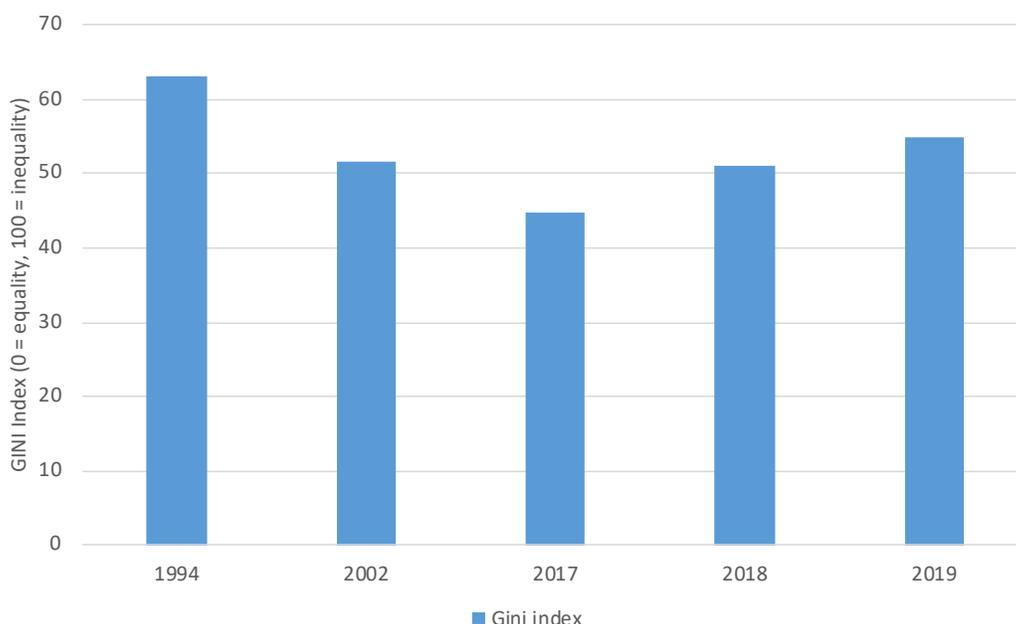
38 Egger, E. et al., 2020, Africa's lockdown dilemma. High poverty and low trust. WIDER Working Paper 2020/76. UNU-WIDER.

39 UNICEF, 2018, Child Poverty in Lesotho: Understanding the Extent of Multiple Overlapping Deprivation

40 United Nations, Committee on the Rights of the Child, Concluding Observations on the Second Periodic Report of Lesotho, CRC/C/LSO/CO/2, 25 June 2018. Para. 25.

41 Parliament of The Kingdom of Lesotho, 2020, 2020/21 Mid-Term Budget Review

**Figure 22: Inequality**



Source: World Bank, World Development Indicators, 2020 and Parliament of the Kingdom of Lesotho, 2020

## HEALTH

### Progress Towards 2030 Agenda and The SDGs

Despite relatively high government expenditure on healthcare (10.6% of GDP) and government subsidised access to health services, Lesotho's healthcare system is fragile and much of the population are geographically constrained from accessing health services. Lesotho has high incidences of HIV and TB, high infant and maternal mortality rates and only 6 nurses, 1 physician and 1 pharmacist per 100,000 people. Further, Lesotho is largely dependent on South Africa for secondary and tertiary healthcare services.<sup>42</sup>

Lesotho has the second highest rate of HIV prevalence in the world; 22.2% of the adult population are estimated to be living with HIV in 2020 (*figure 23*)<sup>43</sup>. HIV prevalence is higher in women than men: 27.3% of women are estimated to be living with HIV in 2020, compared to 17.4% of men<sup>44</sup>.

However, Lesotho has made enormous gains in HIV detection and prevention and the high HIV prevalence may, in part, be due to people living with HIV living longer and healthier lives. Indeed, HIV incidence, which peaked at 4.4% in 1997, fell from 2.1% in 2010 to an estimated 1.1% in 2020 (*figure 23*). It is estimated that, in 2020, 90% of people living with HIV (PLHIV) knew their status. Of these, 97% were on antiretroviral therapy (ART) and 93% were virally suppressed<sup>45</sup>.

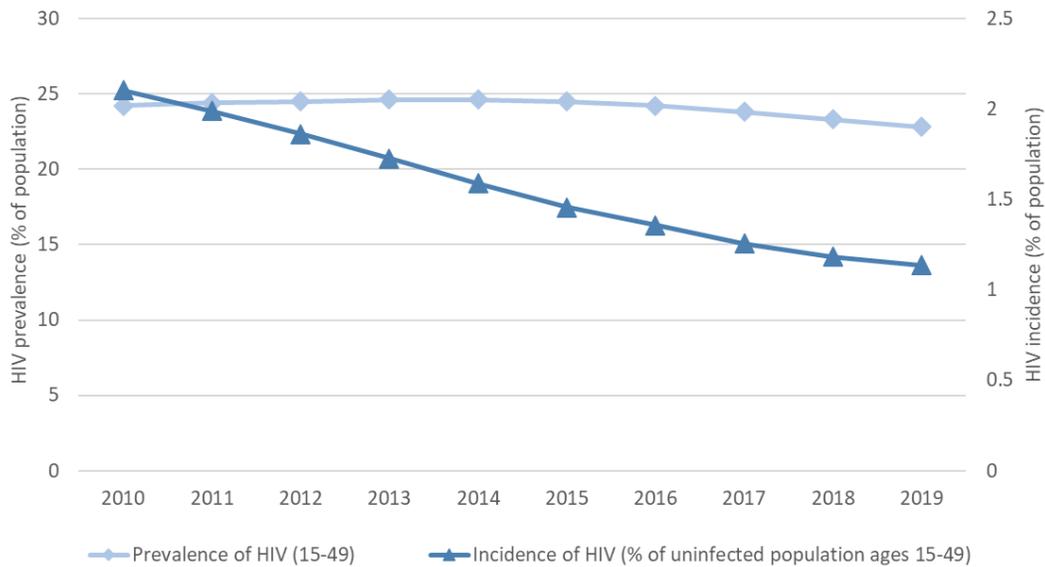
42 UN Lesotho, 2020, Assessment of the Socio-Economic Impact of COVID-19 on the Kingdom of Lesotho

43 World Bank, Health Nutrition and Population Statistics, 2020

44 UNAIDS, 2020, Spectrum Modelling Estimates

45 Lesotho Population-Based HIV Impact Assessment (LePHIA) Preliminary Results, Ministry of Health, Lesotho, 2020

**Figure 23: HIV prevalence**



Source: World Bank, Health Nutrition and Population Statistics, 2020

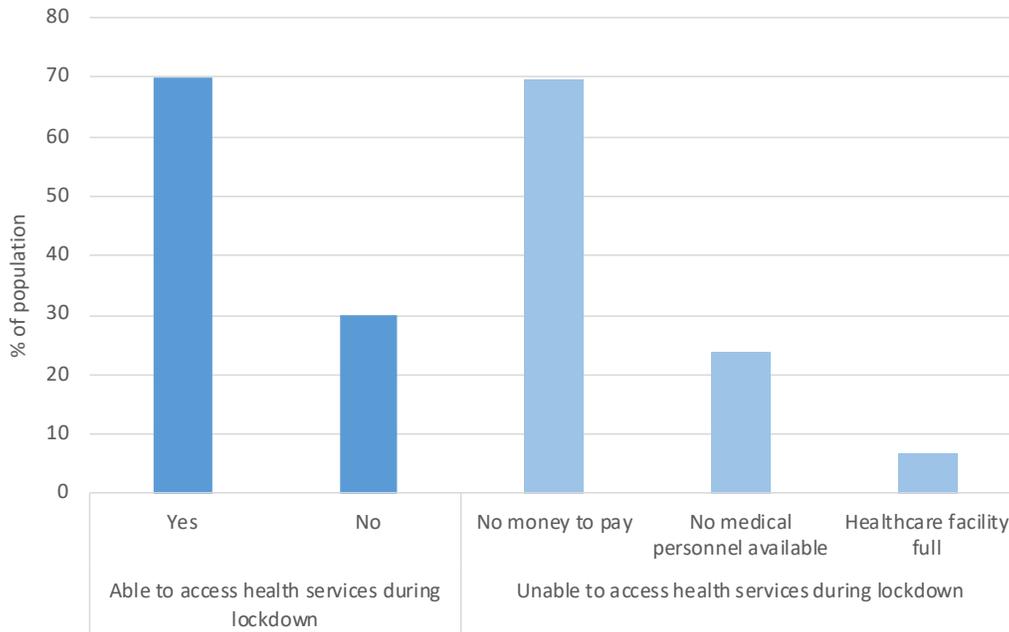
As a group of children born during the HIV epidemic grow up, it will be important to support their access to health services, in particular for adolescent girls and young women (AGYW). Children appear to have slightly poorer access to HIV health services: 71% of children living with HIV (CLHIV) knew their status in 2020, of which 71% were on ART and 67% were virally suppressed. However, children’s HIV programming has also improved over the recent period; in particular, access to ART for young and adolescent girls has improved from just 7% in 2010 to 48% in 2019.

### Impact of COVID-19

The pandemic and associated lockdown has exerted unsustainable pressure on an already pressured health system. Movement restrictions have affected access to essential and continuing health services including HIV treatments, contraception and maternal health services. A strike by healthcare workers has weakened the capacity of Lesotho’s health system.

The National Bureau of Statistics report that in 26% of Basotho households, at least one household member required medical attention during the lockdown. However, 30% of those in need were unable to access medical services. The majority of those who required medical attention during lockdown and were unable to receive it had no money to pay for it, in other cases there were no medical personnel available or they were turned away because the medical facility was full (*figure 24*)<sup>46</sup>.

**Figure 24: Access to health services during COVID-19 lockdown**



Source: Bureau of Statistics, Covid-19 Socio-Economic Impact on Households Survey, October 2020

In the case of HIV, fewer people who were newly diagnosed with HIV were initiated on ART during the lockdown period; in July 2020 only 714 patients were initiated on ART, compared to 2,237 in July 2019.

Similarly, more people living with HIV defaulted on their treatment during the lockdown period; in July 2020, 12,392 people living with HIV defaulted on their treatment, compared to 2,926 in July 2019.

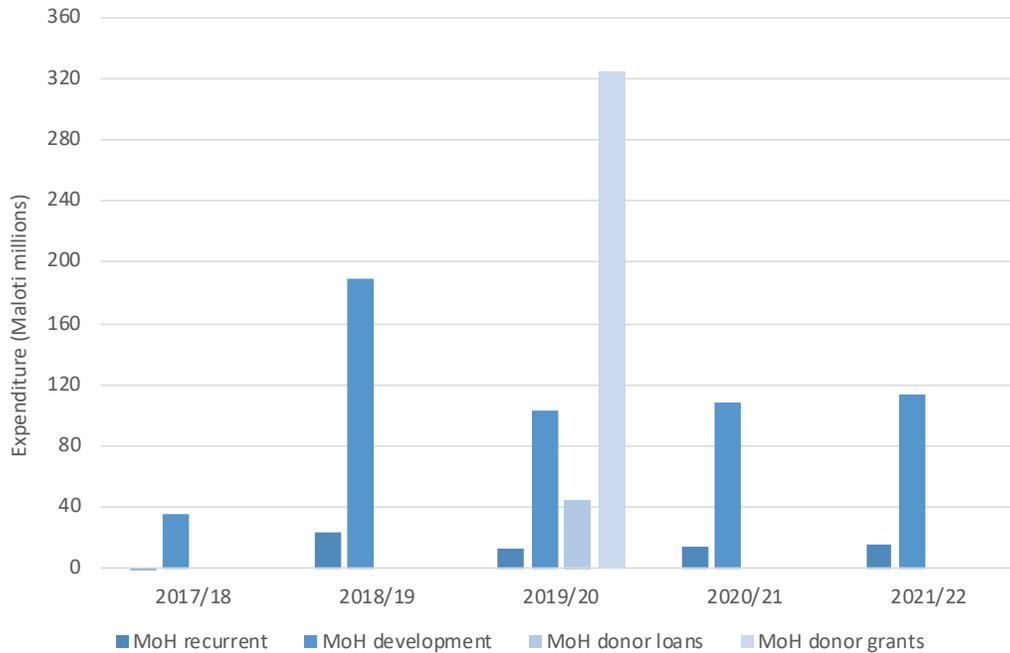
In response to the pandemic, the Government of Lesotho supplied stable HIV patients with 3 to 6 months of ARVs at once (to protect people with HIV from movement restrictions) and enabled community distribution of self-testing kits<sup>47</sup>.

### SDG Financing Landscape

According to the 2019/20 budget (produced before COVID-19), overall approved expenditure by the Ministry of Health peaked in 2018/19 and fell in 2019/20, but was expected to slowly pick up over the medium-term. Part of the fall in anticipated expenditure may be due to rising donor grants to the Ministry of Health.

In 2019/20 planned expenditure by the Ministry of Health amounted to Maloti 485 million (US\$ 31 million). However, health financing is increasingly provided by donors, who accounted for Maloti 369 million (US\$ 24 million) of the total expenditure, the majority of which was in grants (*figure 25*).

**Figure 25: Expenditure by Ministry of Health**



Source: 2019/20 Budget Book

There are four main sources of funding for the national HIV response in Lesotho: The Government of Lesotho, the United States Government, The Global Fund and UN agencies. There has been a steady increase in expenditure in recent years, both in terms of total and per capita expenditure, as the high HIV prevalence shows little sign of falling to desired levels.

International donors are estimated to have consistently financed between 70-80% of total HIV expenditure since 2015, with the Government of the United States being the dominant financier. High dependence on international donors poses a threat to the sustainability of Lesotho’s HIV financing<sup>48</sup>.

### Leaving No One Behind, Human Rights, Gender Equality and Women’s Empowerment, Environmental Stewardship

Individuals living in poverty, or the vulnerable poor, are also more vulnerable to poor health outcomes and are less likely to be able to afford decent healthcare (see [POVERTY](#)).

Similarly, those living in rural areas are also less likely to access decent healthcare due to geographical inaccessibility.

Women are disproportionately vulnerable to HIV due to high levels of gender inequality in Lesotho (see [GENDER](#)).

Young women (10-24 years) and adolescent girls (10-19 years) in particular account for a disproportionate number of new HIV infections. In 2019, HIV incidence in young women stood at 1.5%, nearly three times that of young men (0.6%)<sup>49</sup>.

48 Preliminary NASA Report (2019)

49 UNAIDS, 2020, Draft Lesotho HIV Estimates and Projections

Further, there are many children that were born with HIV during the height of the epidemic that are now entering adulthood and will need access to health services, in particular ARTs. Given the prevalent gender inequality in Lesotho, adolescent women and young girls are particularly vulnerable to a lack of access to health services.

### Multidimensional Risks

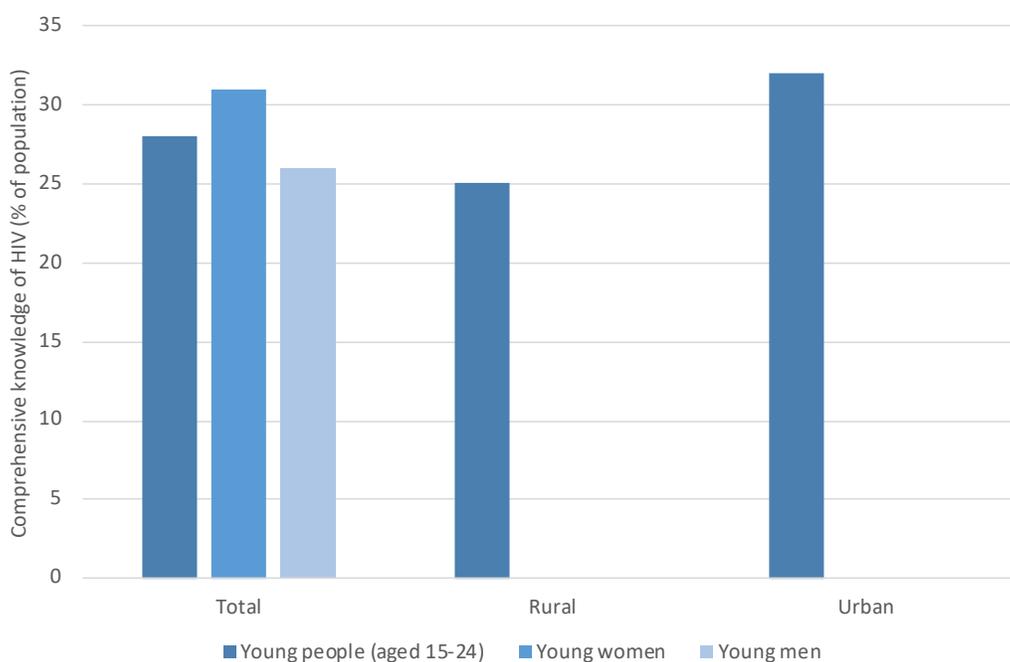
Sexual and Gender-Based Violence (SGBV) drives the epidemic among women and girls, orphans, and vulnerable populations (see [GENDER](#)).

Amongst women aged 15-59 that report being forced into sex during their lives, 39% are now living with HIV.

Girls who experience sexual violence are also not getting the support and services they need and are particularly vulnerable to HIV infection. 26% of girls aged 13-14 report experiencing physical violence, whilst 12% report experiencing sexual harassment or sexual violence<sup>50</sup>. According to the 2019 Violence Against Children study, 18% of girls' first sexual experience was physically forced or coerced and 11% of girls are married before the age of 18<sup>51</sup>.

Lack of knowledge and consequently low risk perception contributes towards Lesotho's HIV endemic, particularly in rural areas. Only 28% of young people (aged 15-24) in Lesotho have comprehensive knowledge of HIV (31% of young women and 26% of young men). In rural areas, only 25% of young people have comprehensive knowledge of HIV, compared to 32% in urban areas (*figure 26*)<sup>52</sup>.

**Figure 26: Knowledge of HIV**



Source: Lesotho Population-Based HIV Impact Assessment

50 Lesotho Population-Based HIV Impact Assessment (LePHIA), Ministry of Health, Lesotho, 2017

51 Government of Lesotho, 2019, Violence against Children and Youth Survey (VACS)

52 Lesotho Population-Based HIV Impact Assessment (LePHIA), Ministry of Health, Lesotho, 2017

HIV prevalence among those who reported early sexual debut (below the age of 15 years) stands at 21% and is three times as high for women (42%) as men (14%)<sup>53</sup>.

Migration also plays a key role in Lesotho’s HIV prevalence and individual’s vulnerability to HIV (see [MIGRATION](#)). Individuals that report having lived outside of Lesotho also have a much higher HIV prevalence. HIV prevalence amongst women that have lived outside of Lesotho stands at 39%, compared to 27% amongst those that have always lived in Lesotho. Similarly, HIV prevalence amongst men that have lived outside of Lesotho stands at 28%, compared to 17% amongst those that have always lived in Lesotho<sup>54</sup>.

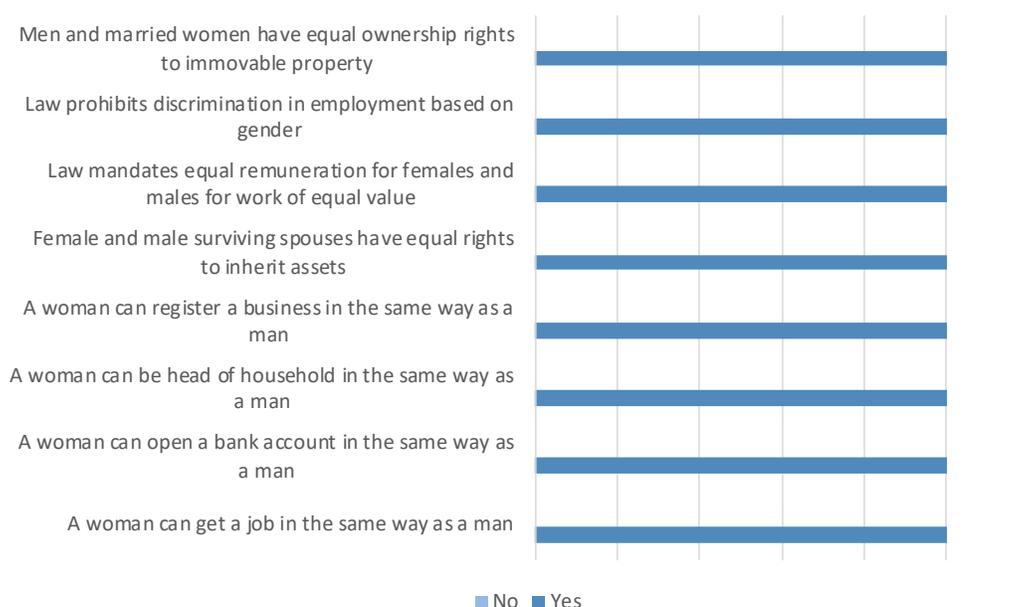
Migration does not automatically equate to HIV vulnerability however, and not all migrants are at increased risk for HIV as a result of their mobility. The risk stems from a unique set of socio-cultural, economic and environmental factors that vulnerable migrants are exposed to, including lack of access to health services, that render them more vulnerable to HIV, TB, and other negative health outcomes. There is a lack of empirical data on HIV and migration, which could lead to an improved policy response.

## GENDER

### Progress Towards 2030 Agenda and the SDGs

The Kingdom of Lesotho’s Gender Inequality Index stands at 0.546, or 135 out of 162 countries<sup>55</sup>.

**Figure 27: Women’s rights**



Source: World Bank, Gender Statistics, 2020

Legally women’s rights are relatively strong in Lesotho (*figure 27*). In 2017, the Government of Lesotho approved the Gender and Development Policy (2017), which complemented the Inheritance Act, the Land

53 Lesotho Population-Based HIV Impact Assessment (LePHIA), Ministry of Health, Lesotho, 2017

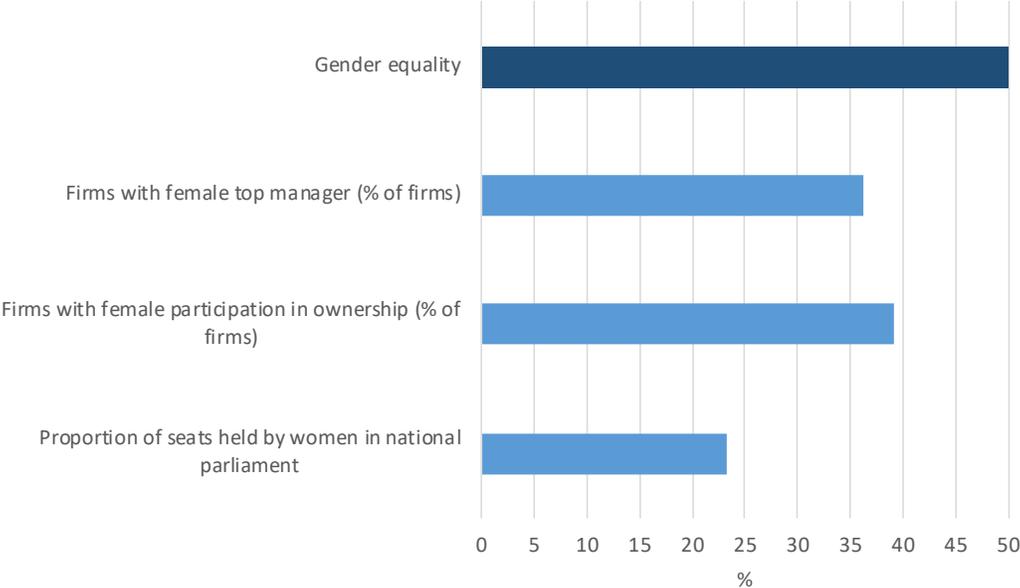
54 Lesotho Population-Based HIV Impact Assessment (LePHIA), Ministry of Health, Lesotho, 2017

55 UNDP, Human Development Report 2019, Lesotho

Act 2010, the Legal Capacity of Married Persons Act (2006) and the Sexual Offences Act (2006), all of which are in line with global normative standards and conventions on gender equality (see [GOVERNANCE](#)).

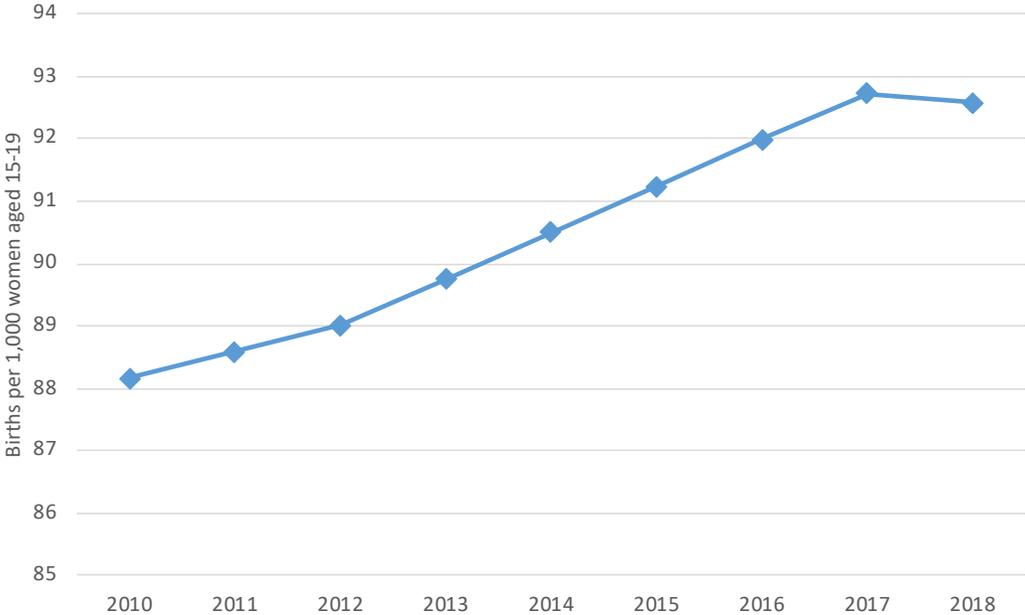
However, in reality, women do not face equality with men.

**Figure 28: Women’s economic empowerment**



Source: World Bank, Gender Statistics, 2020

**Figure 29: Adolescent fertility rate**



Source: World Bank, Gender Statistics, 2020

Female participation in the labour market is 60%, compared to 75% for men; women are on average 22 years old when they marry, men are 28 years old; only 36% of firms have female senior management and only 23% of parliamentary seats are held by women (figure 28)<sup>56</sup>.

Further, the adolescent fertility rate (the number of births per 1,000 women aged 15-19) has been creeping up since 2010, to 9% (figure 29)<sup>57</sup>.

Gender-based violence (GBV), defined as any harm that is perpetuated towards an individual or group because of their gender (including sexual, physical, emotional, economic and verbal violence), is prevalent in Lesotho. It is estimated that 86% of women in Lesotho have experienced GBV and that 41% of men have perpetrated GBV<sup>58</sup>.

Work place harassment is also commonplace in Lesotho, including within the Government.

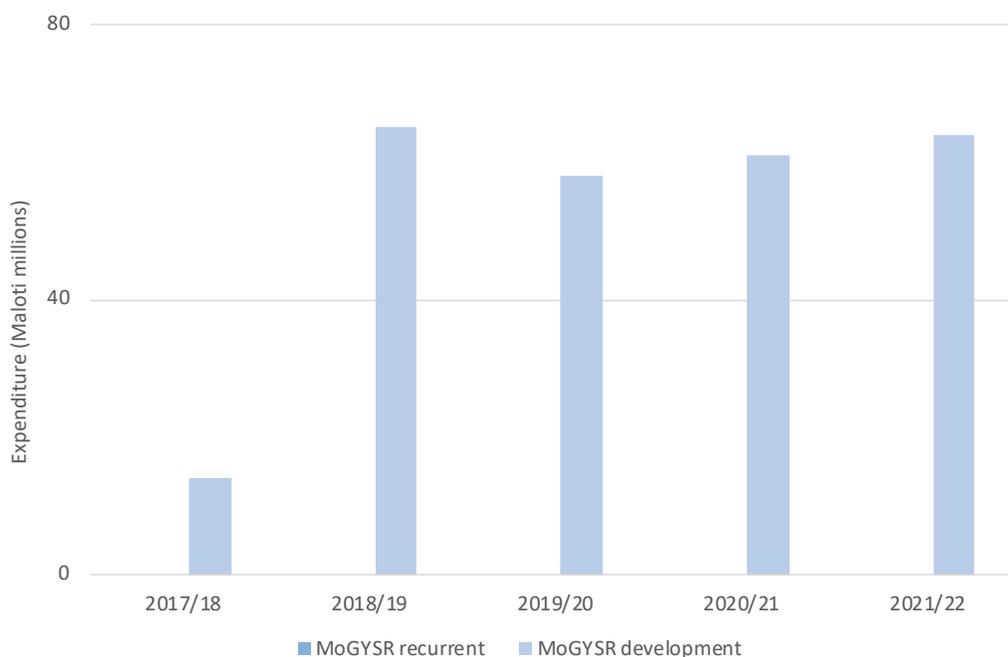
### Impact of COVID-19

COVID-19 has increased the frequency of gender based violence, particularly domestic and intimate partner violence, in both high- and low-income families. Additional stress, due to loss of income or employment, and confinement to smaller living conditions under lockdowns and social distancing requirements, has contributed towards the increase in GBV.

The pandemic is predicted to hit women facing intersecting forms of discrimination the hardest: low-income women, women with disabilities, single parents and women in abusive intimate relationships.

### SDG Financing Landscape

**Figure 30: Expenditure by Ministry of Gender, Youth, Sports and Recreation**



Source: 2019/20 Budget Book

56 World Bank, Gender Statistics, 2020

57 World Bank, Gender Statistics, 2020

58 Gender Links, GBV Indicators Study, 2014

Although expenditure was not solely on gender, planned expenditure by the Ministry of Gender, Youth, Sports and Recreation amounted to just Maloti 58 million (US\$ 4 million) in 2019/20, down from Maloti 65 million (US\$ 4 million) in 2018/19. All of the 2019/20 expenditure was government financed development expenditure; there has been no donor financing to the Ministry (*figure 30*).

### Leaving No One Behind, Human Rights, Gender Equality and Women's Empowerment, Environmental Stewardship

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While women encounter gender-based barriers in the control of natural resources and economic and social representation at decision-making levels, rural women face double discrimination on the basis of their gender (as women) and their economic class (economically marginalized).

Meanwhile, men are presented with violent versions of manhood that are strengthened by their relative economic dominance and non-progressive traditional customs, which increases the likelihood and social acceptance of violence against women and girls.

### Multidimensional Risks

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School expulsion of pregnant girls exacerbates gender inequality and women's vulnerability<sup>59</sup>.

GBV presents a major obstacle for women in Lesotho to realize their fundamental human, sexual and reproductive rights<sup>60</sup>. National legislation exists to eliminate gender-based violence and child marriage and protect individual rights, however it is not well understood or adopted by community leaders, women and girls and thus is not practiced customarily<sup>61</sup>.

Additionally, a lack of basic services, water in particular (see [WASH](#)), disproportionality harms women, girls and boys as they face a greater risk of harassment, threats, assault and sexual violence when fetching water or using sanitation facilities outside the home<sup>62</sup>.

Lesotho also experiences high levels of trafficking in women and children and low rates of holding perpetrators accountable. There is limited shelter for victims of trafficking and prostitution<sup>63</sup>.

Harassment of women, including in the workplace, is commonplace. Further, it is frequently not well addressed in court as access to justice is limited (see [GOVERNANCE](#)), which in turn presents an increased risk of protests by affected groups (see [HUMANITARIAN-DEVELOPMENT-PEACE NEXUS](#)).

## NUTRITION AND FOOD SECURITY

### Progress towards 2030 Agenda and the SDGs

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Food insecurity continues to be a chronic challenge in Lesotho and a key obstacle in the country's development agenda and progress towards SDG2 ending hunger. The agricultural sector is dominated by subsistence farmers, who are particularly vulnerable to drought and land degradation (see [AGRICULTURE](#)). Lesotho experiences recurrent droughts (see [CLIMATE CHANGE](#)), which reduces the capacity of subsistence farmers to produce sufficient food for their own needs and reduces the availability

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59 CRC/C/LSO/CO/2. Para. 17.

60 United Nations General Assembly, Human Rights Council, National report submitted in accordance with paragraph 5 of the annex to Human Rights Council resolution 16/21, Lesotho, A/HRC/WG.6/35/LSO/1, 04 November 2019. Para. 69.

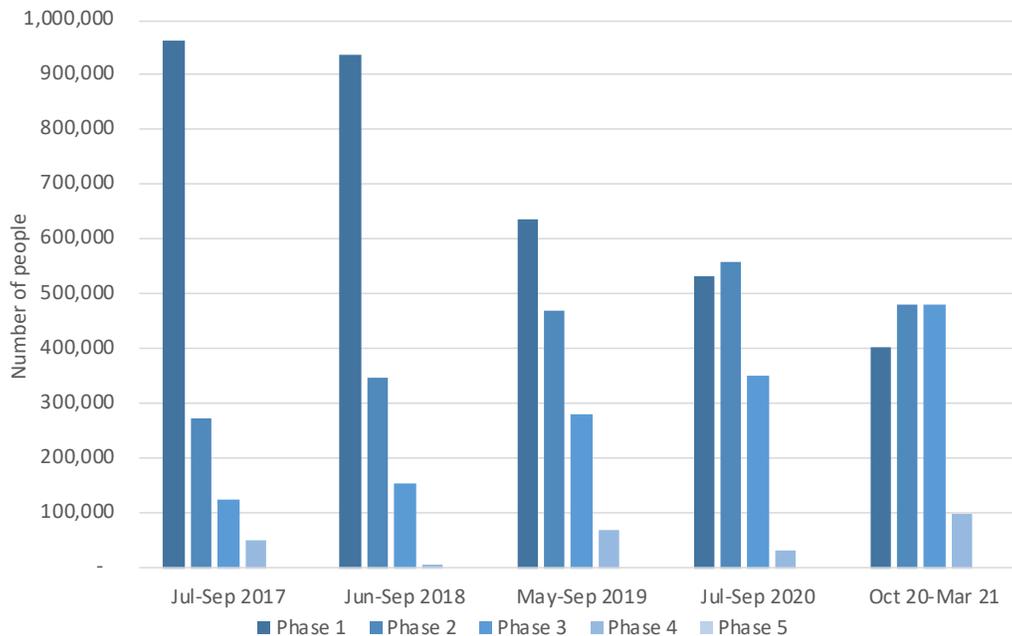
61 Report on Legal Environment Assessment for HIV and AIDS in Lesotho, 2016

62 A/HRC/42/47/Add.1. Para. 10.

63 United Nations, Convention on the Elimination of All Forms of Discrimination Against Women, Concluding Observations of the Committee on the Elimination of Discrimination Against Women, Lesotho, CEDAW/C/LSO/CO/1-4. Para. 25 (f).

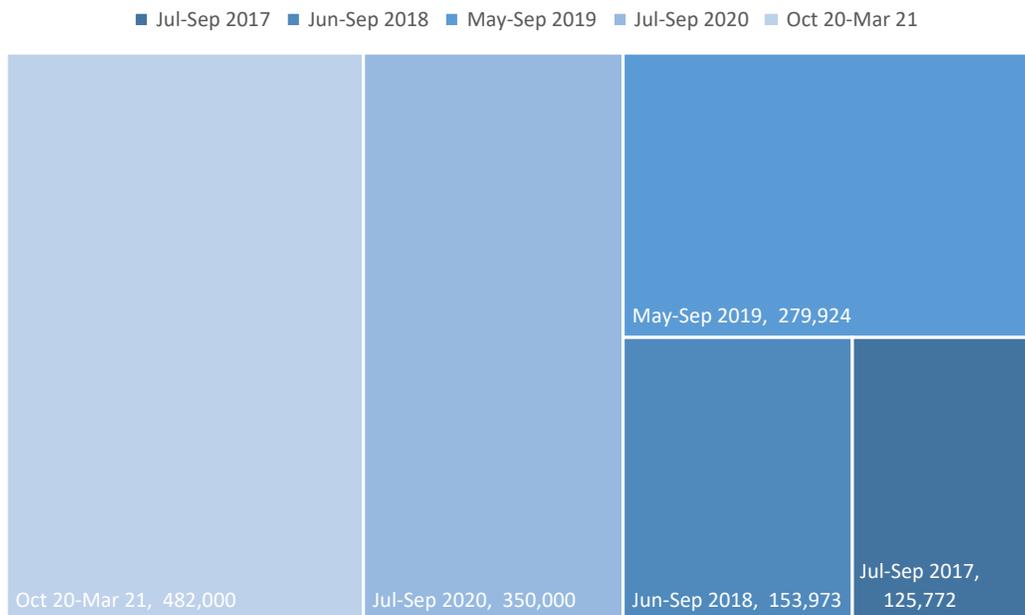
of food for those that normally buy from subsistence farmers, particularly in rural areas. Further, 50% of the population live below the national poverty line (see [POVERTY](#)), and 24% of the population are unemployed<sup>64</sup> (see [EMPLOYMENT](#)); the income insecurity experienced by the majority of the population limits their access to nutritious food.

**Figure 31: Food insecurity**



Source: IPC Analysis Portal

**Figure 32: Population facing acute food insecurity (IPC Phase 3 or higher)**



Source: IPC Analysis Portal

Lesotho's food insecurity is widespread; 582,000 people, or 40% of the population, are expected to face acute food insecurity in Crisis IPC Phase 3 + between October 2020 and March 2021, with pockets of highly vulnerable populations in Emergency IPC Phase 4 (*figure 31*). Further, the population facing high acute food insecurity (IPC Phase 3 or higher) has steadily increased over the medium-term (*figure 32*).

### Impact of COVID-19

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Food prices have increased since COVID-19 lockdown measures were implemented and remain higher than the same period in 2019 (see [ECONOMIC GROWTH](#)). Prices of maize meal have increased by average of 12% and wheat flour by 16% since March 2020. Prices of food commodities are expected to increase further as households deplete their stocks.

South Africa's lockdown and border closures have caused a severe reduction in remittances (see [ECONOMIC GROWTH](#)), reducing the incomes and purchasing power of remittance-dependent-households.

The National Bureau of Statistics report that during the COVID-19 lockdown, 87% of households were not able to access the market for meat, milk and eggs, 68% of households were not able to buy tubers and 39% of households were unable to buy grains. Further, the main reasons cited for households inability to buy staple foods was a lack of money, shops running out of stock and an increase in prices<sup>65</sup>.

### SDG Financing Landscape

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The government is under extreme pressure to respond to growing emergency food needs. The recently inaugurated Prime Minister has expressed that addressing Lesotho's serious food insecurity is among the government's main priorities. However, the national resource gap for 'Agriculture and Food Security' under the government's response plan is estimated to be USD 80 million (see [AGRICULTURE](#)). The government's ability to assist vulnerable populations is going to be further limited due to heightened domestic revenue shortfalls during the pandemic (see [ECONOMIC GROWTH](#)).

Donors do however heavily finance agriculture and food security in Lesotho. The health and nutrition sectors received 26% of all aid inflows in 2019/20, due to large allocations under the Global fund and Canada. However, disbursements to health and nutrition declined from US\$ 150 million in 2018/19, to US\$ 98 million in 2019/20. Meanwhile, aid disbursed to the agricultural sector increased from US\$ 24 million in 2018/19, to US\$ 57 million in 2019/20, to account for 15% of all donor disbursements<sup>66</sup>.

### Leaving No One Behind, Human Rights, Gender Equality and Women's Empowerment, Environmental Stewardship

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Children are particularly vulnerable to food insecurity. 92,000 children under the age of five, or 1/3 of all children under 5 in Lesotho, suffer from stunting. The persistent nutritional deprivation that causes stunting also causes long-term irreversible physical and cognitive damage. Further, stunting in Lesotho has increased from 33% in 2014 (DHS) to 35% (MICS) in 2018. In the five years prior to 2014, stunting had decreased from 39% to 33%.

In addition, micronutrient deficiencies amongst children aged 6 to 59 months stands at 51%; iron deficiency anaemia is the most common deficiency. Indeed, 27% of women aged 15-49 and 14% of men

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65 Bureau of Statistics, Covid-19 Socio-Economic Impact on Households Survey, October 2020

66 Ministry of Development Planning, Lesotho Development Cooperation Report 2019/20

aged 15-49 are anaemic.

Paradoxically, the nation is also facing an emerging challenge of obesity and non-communicable diseases, the latter being exacerbated by the former. The prevalence of people who are overweight or obese in Lesotho has increased from 39% in 1999 to 54% in 2016; 7% of children under the age of five are overweight, whilst 45% of women and 12% of men aged 15 to 49 are overweight or obese.<sup>67</sup>

The reversal of this development outcome illustrates a chronic food and nutrition security challenge. Lesotho has made great strides in putting nutrition at the centre of the development agenda and has demonstrated political will to address malnutrition. Yet, despite political commitment to address malnutrition, two of Lesotho's 2025 World Health Assembly (WHA) targets for nutrition (reducing the number of stunted children and the prevalence of anaemia among women of reproductive age) are off track. Lesotho must accelerate action at scale in all districts towards attainment of its global nutrition targets such as the WHA and SDGs.

### Multidimensional Risks

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Food prices are disproportionately high in rural areas, where the cost of a nutritious diet is 10% more than in urban areas<sup>68</sup> (see [ECONOMIC GROWTH](#)); and combination of lower incomes and higher food prices makes a nutritious diet unaffordable for many rural households during lean seasons. More than 50% of Basotho are unable to meet their dietary requirements due to income insecurity.

Malnourishment in early childhood elevates the risks of infant morbidity and mortality: 20% of all child deaths between 2008 and 2014 in Lesotho were directly associated with undernutrition<sup>69</sup>. Malnourishment in early childhood also increases national and individual healthcare costs and national social safety net expenditures, it lowers the efficiency of investments in education, decreases lifelong income-earning potential and decreases labour force productivity, thereby resulting in a vicious cycle of poverty, ill health and poor nutrition which is transmitted across generations. According to the 2016 COHA study in Lesotho, an estimated 1.96 billion maloti (US\$ 200 million) was lost from the economy in 2014 as a result of child malnourishment, this is equivalent to 7.1% of Lesotho's GDP in 2014.

## EDUCATION

### Progress Towards 2030 Agenda and the SDGs

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The Government of Lesotho recognises that inclusive and quality education and training is a critical enabler for achieving sustainable development in the country. Indeed, the Government aims to ensure inclusive and equitable quality education for all by 2030 (SDG 4).

Under the Education Act, primary education has been made free and compulsory for primary school learners and the Government has invested in building more schools<sup>70</sup>. The Government has also established a student loan programme for tertiary students, to increase access to education.

Lesotho is close to achieving universal primary education with a gross intake at class 1 at 97%. Although

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67 Ministry of Health/Lesotho and ICF International. 2016. Lesotho Demographic and Health Survey 2014. Maseru, Lesotho: Ministry of Health/Lesotho and ICF International. Available at <https://dhsprogram.com/publications/publication-fr309-dhs-final-reports.cfm>.

68 World Food Programme, Fill the Nutrient Gap (FNG), Lesotho, August 2019

69 African Union Commission, Cost of Hunger in Africa (COHA), Lesotho, 2016

70 CRC/C/LSO/CO/2. Para. 53.

the Government recommends that children start class 1 at 6 years old, many children start primary school late. By class 6, the gross intake stands at 95%, demonstrating relatively strong retention of children in primary school.

However, primary net enrolment, which better indicates levels of participation, peaked at 89% in 2016 and fell to 85% by 2018 (latest available data)<sup>71</sup>.

Lesotho is less close to achieving universal secondary education. 13% of students who complete primary school do not continue to secondary school and only 30% of students complete secondary school. Rural boys are the most unlikely to complete education.

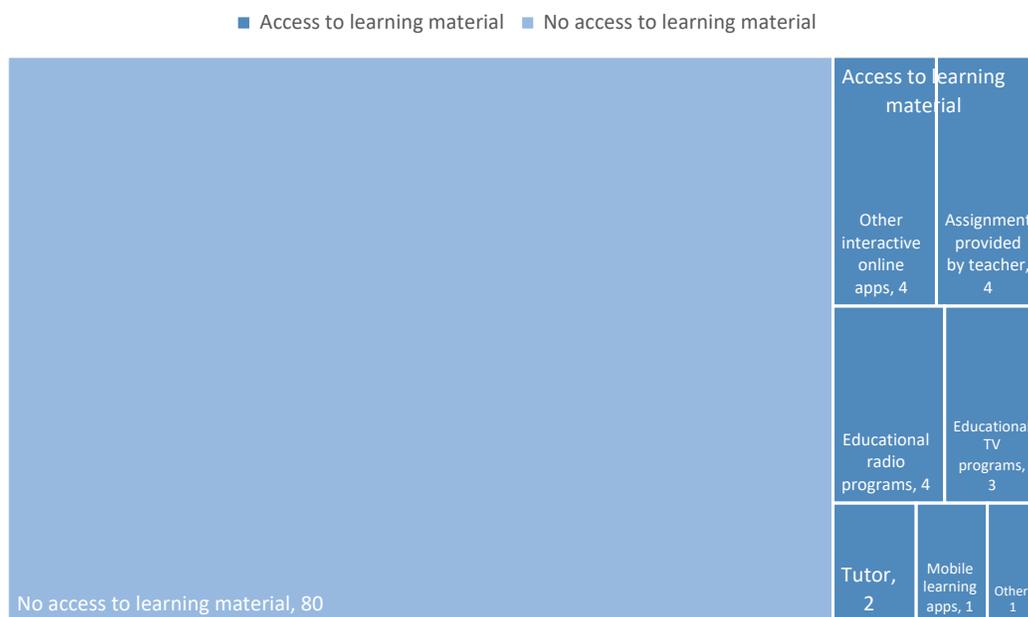
There is also slow progress in increasing access to early childhood education as pre-school enrolment has stagnated at 38%.<sup>72</sup>

Quality of education is also a challenge in Lesotho. Only 45% of children aged 7-14 demonstrate foundational reading skills in English or Sesotho, and only 15% demonstrate foundational numeracy skills<sup>73</sup>. Amongst teachers, only 51% demonstrate adequate literacy knowledge and only 31% demonstrate adequate numerical knowledge. Further, the average primary school class has one teacher per 63 students, which falls to one teacher per 79 students in secondary school.

### Impact of COVID-19

COVID-19 has severely impacted the education sector: all schools closed in March 2020 and have only begun to reopen from October 2020. Approximately 511,318 learners were affected by school closures<sup>74</sup>.

**Figure 33: Form of learning engagement during lockdown**



Source: Bureau of Statistics, Covid-19 Socio-Economic Impact on Households Survey, October 2020

71 Ministry of Education and Training, 2018, Education Statistics Bulletin

72 Ministry of Education and Training, 2018, Education Statistics Bulletin

73 UNICEF, 2018, Multiple Indicator Cluster Household Survey (MICS)

74 UNESCO, 2019, Education Management Information System (EMIS)

During the COVID-19 lockdown, only 20% of households with children that were previously attending school, maintained access to some form of education; 80% of households with children in school experienced a complete halt in education during the lockdown. Further, of those still receiving education, 95% had no physical contact with a teacher during the lockdown<sup>75</sup>. Families that continued learning adopted a wide variety of learning methods during the lockdown (*figure 33*).

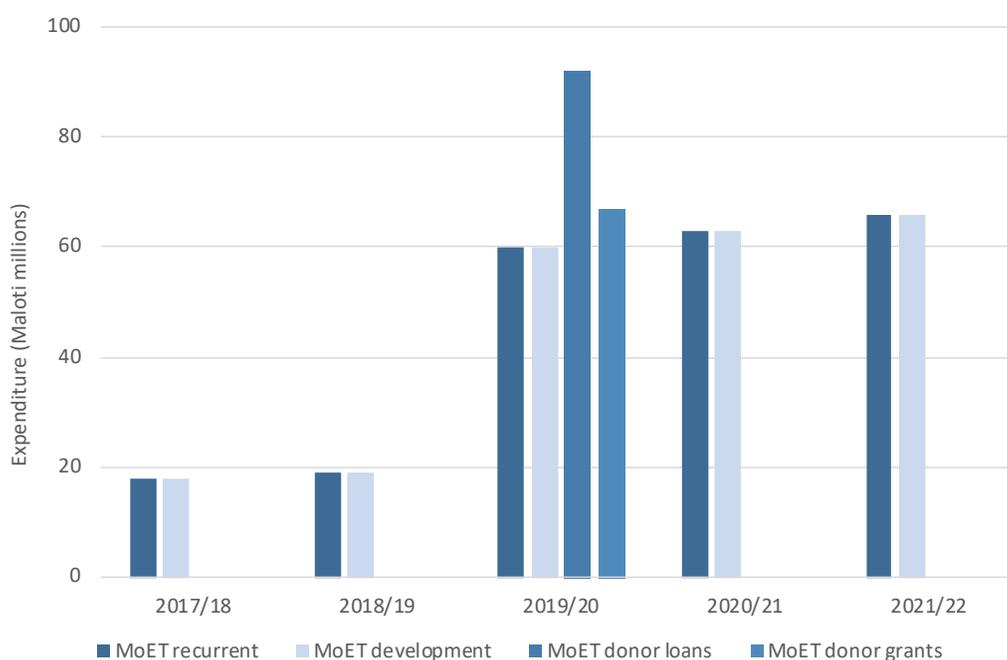
To support the reopening of schools, the Government of Lesotho received Maloti 56 million (US\$ 4 million) from the Global Partnership for Education to supply all schools with Personal Protective Equipment (PPE) and has supplied the Ministry of Education and Training with 769 water tanks to be installed in schools throughout the country. A school reopening strategy has been developed by the Ministry of Education and Training with support from the United Nations<sup>76</sup>.

There is a risk that many boys in rural areas became herders during COVID-19 school closures and may not return to education once schools reopen.

### SDG Financing Landscape

The education sector receives the largest share of the government’s budget, equal to 16% of the total Government budget in 2019/20. In 2019/20 planned expenditure by the Ministry of Education and Training amounted to Maloti 279 million (US\$ 18 million), up from just Maloti 38 million (US\$ 2 million) in 2018/19. Of the Maloti 279 million (US\$ 18 million), Maloti 159 million (US\$ 10 million) is expected to be financed by donors (*figure 34*).

**Figure 34: Expenditure by Ministry of Education and Training**



Source: 2019/20 Budget Book

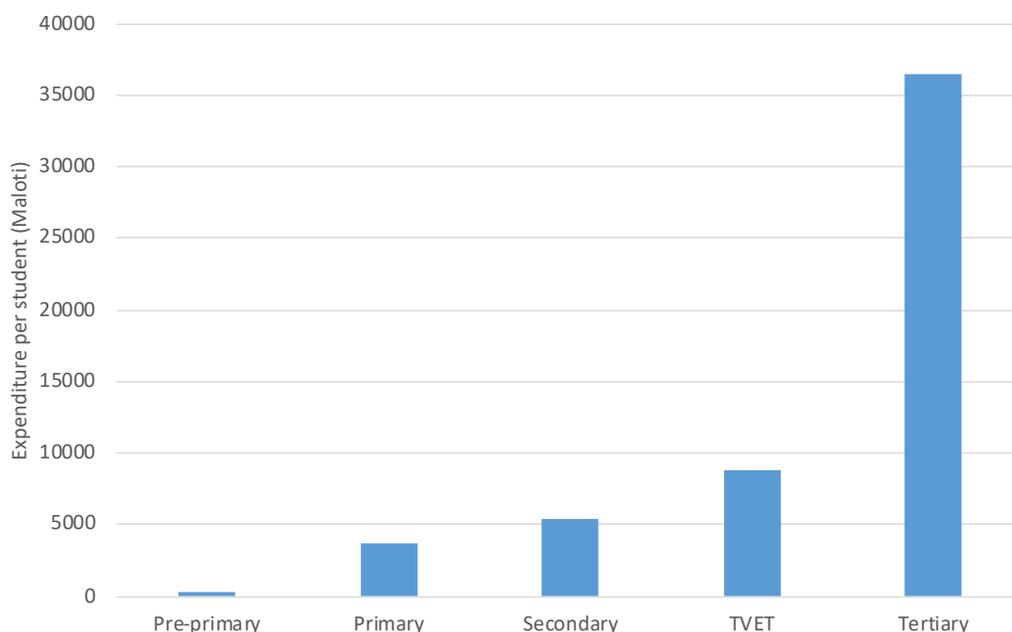
However, the spending distribution is inequitable; 37% of the public education budget benefits just 10% of students, who are also the most well-educated, as bursaries for higher education eat into the education

75 Bureau of Statistics, Covid-19 Socio-Economic Impact on Households Survey, October 2020

76 Parliament of Lesotho, 2020, 2020/21 Mid Term Budget Review

budget. At the same time, early childhood education receives less than 1% of the education budget. Consequently, there are large disparities between the average annual expenditure on students at different levels of education, which in part reflects disparities in educational outcomes (*figure 35*).

**Figure 35: Annual expenditure per student**



Source: UNICEF Education Budget Brief Fiscal Year 2020/21

### Leaving No One Behind, Human Rights, Gender Equality and Women’s Empowerment, Environmental Stewardship

There is a disparity in the quality and access to education in rural and urban areas<sup>77</sup>.

Children in rural areas face higher transportation costs to access school and are typically from households with lower incomes. Boys from rural areas are the most disadvantaged with respect to access to quality education as young boys are frequently coerced into being cattle herders to supplement low household incomes (*figure 36*).

There is also a significant disparity between educational attainment at different levels of household incomes. Children from wealthier households are much more likely to start school earlier and stay in school for longer. The wealthiest quintile is four times more likely to attend pre-primary education (*figure 37*).

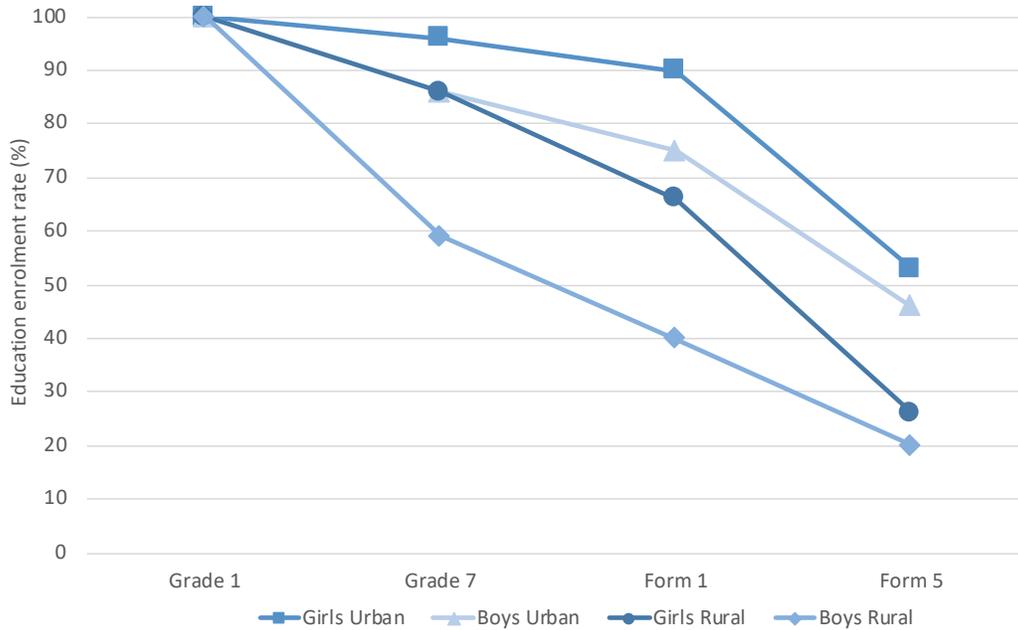
Pregnant teens often face expulsion (see [GENDER](#)) and children with disabilities lack well-trained teachers and specialized devices<sup>78</sup> (see [EMPLOYMENT](#)). Indeed, children with disabilities have lower attendance rates than their peers without disabilities, particularly in pre-primary education.<sup>79</sup>

77 UNICEF, 2018, Lesotho Education Budget Brief Fiscal Year 2018/19

78 CRC/C/LSO/CO/2. Para. 54.

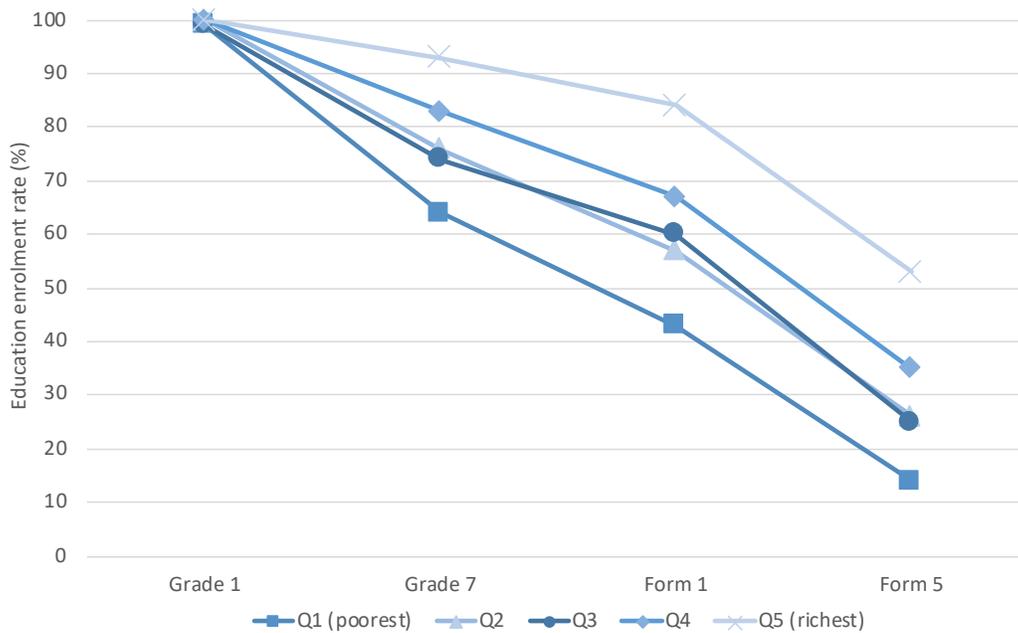
79 Ministry of Education and Training, Education Sector Analysis, April 2020

**Figure 36: Education enrolment rates by geography**



Source: Ministry of Education and Training, Education Sector Analysis, April 2020

**Figure 37: Education enrolment rates by household income**



Source: Ministry of Education and Training, Education Sector Analysis, April 2020

### Multidimensional Risks

Lesotho is highly vulnerable to climate change and often experiences drought (see [CLIMATE CHANGE](#)). Education attainment tends to fall during periods of drought.

Similarly, periods of economic shock also tend to erode educational attainment, particularly in rural areas and amongst poorer households as children are coerced into helping to support their families' livelihood.

Teacher strikes throughout 2019 (see [PEACE](#)) reduced children’s access to education.

Poverty exacerbates educational performance and becomes a vicious cycle. 63% of people with no formal education live in poverty, whilst almost no people with higher education live in poverty.<sup>80</sup>

## WASH

### Progress towards 2030 Agenda and the SDGs

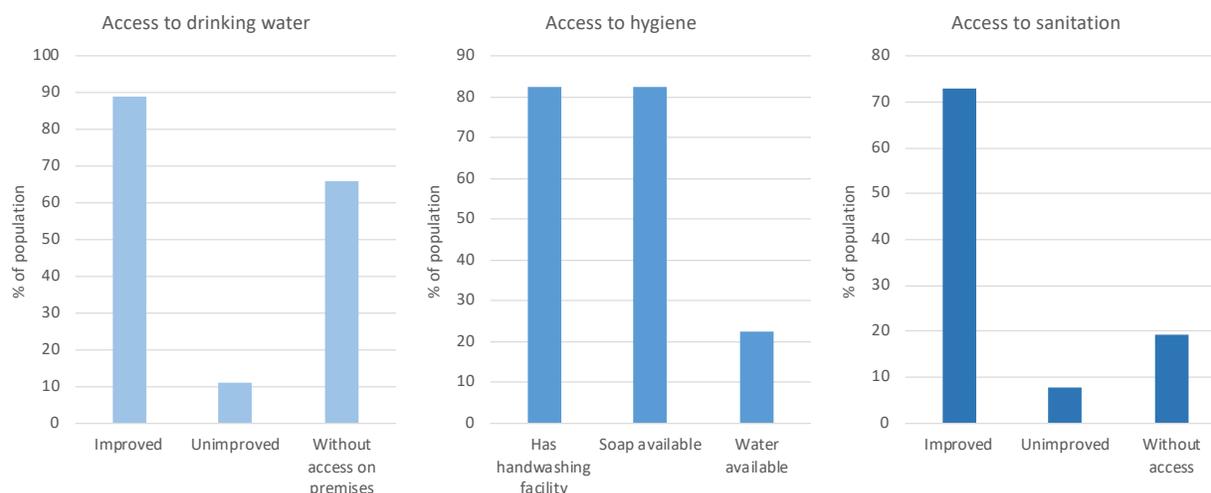
Lesotho aims to ensure availability and sustainable management of water and sanitation for all by 2030 (SDG6).

Overall, the country has high access to basic drinking water services; 89 % of the population has access to improved drinking water. However, there has been minimal improvement in access to drinking water since 2000 (a less than 2% gain) due to recurrent droughts in the region and 66% of the population do not have access to a water source on their premises.

Access to improved sanitation services has improved significantly since 2000 and now stands at 73% of the population. However, 19% of the population have no access to sanitation.

82% of the population have access to hygiene on their services; all of whom have access to soap, but only 22% have access to water for hygiene purposes, which limits the effectiveness of hygiene measures (*figure 38*).

**Figure 38: WASH outcomes in Lesotho**



Source: Multiple Indicator Cluster Surveys (MICS) 2019

### Impact of COVID-19

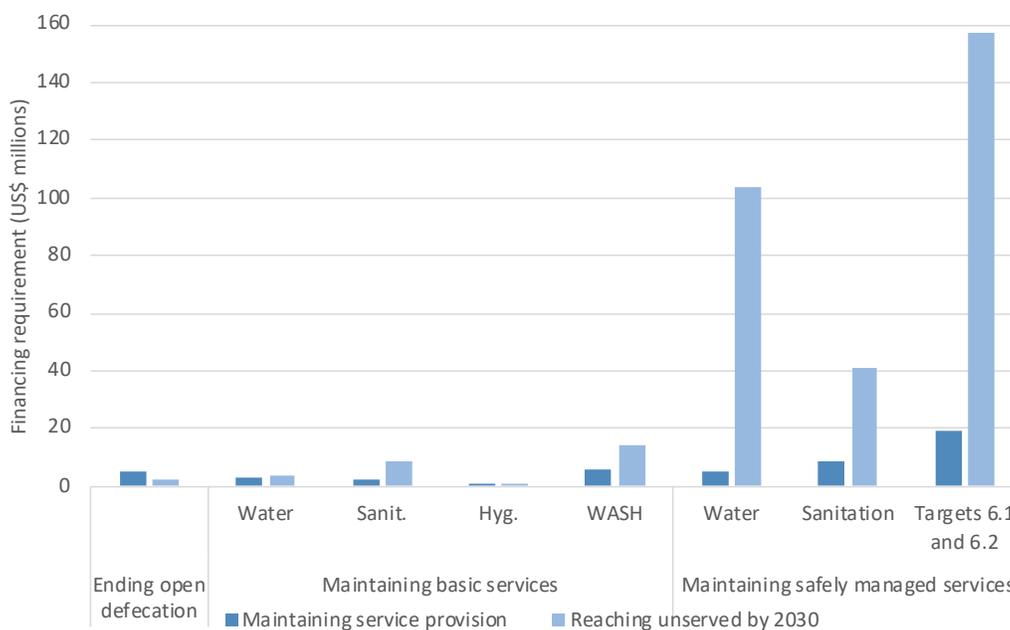
The COVID-19 pandemic is likely to have increased access to hygiene services across the population, especially as new hygiene facilities are established. Early estimates indicate that an additional 100,000 people will have access to hygiene services following the establishment of 63 new handwashing stations.

80 UNICEF, 2018, Multiple Indicator Cluster Surveys (MICS)

## SDG Financing Landscape

The country has not conducted a comprehensive assessment on the sector financing and investment needs to meet SDGs. However, estimates using the SDG Costing tool shows that Lesotho needs US\$ 19 million per annum to maintain current levels of safely managed water and sanitation service provision and will need an additional US\$ 157 million per annum to build and maintain access to safely managed water and sanitation for the entire population by 2030<sup>81</sup>. The cost of providing safely managed WASH services to the population of Lesotho far outweighs the cost of providing basic WASH services (*figure 39*).

**Figure 39: Required financing for basic and safely managed WASH services**

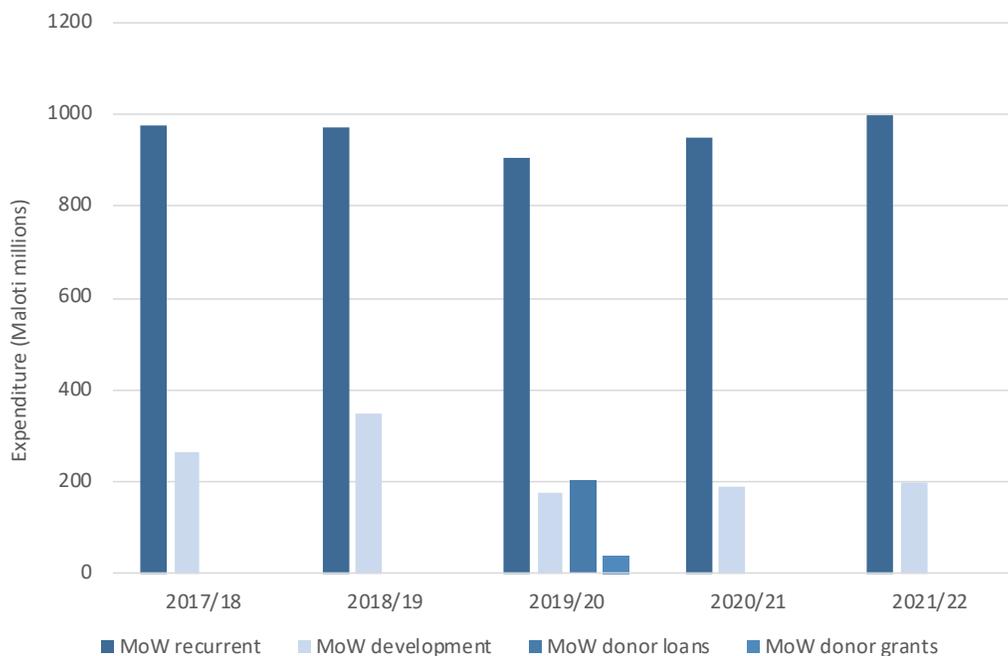


Source: SWA WASH SDG Costing Tool

In 2019/20 planned expenditure by the Ministry of Water amounted to Maloti 1.3 billion (US\$ 86 million). Of the Maloti 1.3 billion (US\$ 86 million), Maloti 244 million (US\$ 16 million) is expected to be financed by donors (*figure 40*).

<sup>81</sup> Sanitation and Water for All (SWA), 2020, WASH SDG Costing Tool

**Figure 40: Expenditure by Ministry of Water**

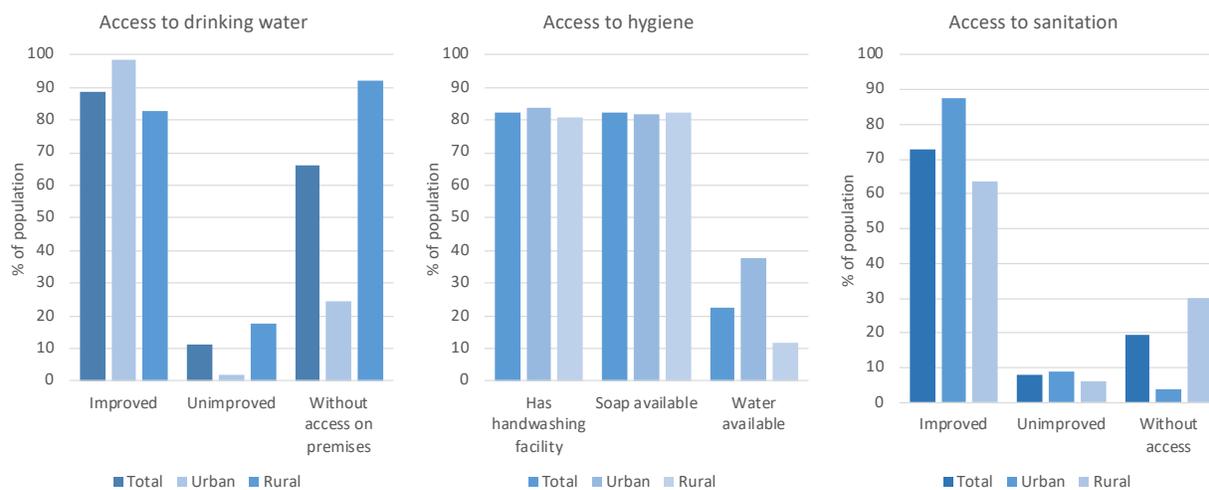


Source: 2019/20 Budget Book

Leaving No One Behind, Human Rights, Gender Equality and Women’s Empowerment, Environmental Stewardship

There is a distinct divide between rural and urban access to WASH services in Lesotho (*figure 41*). Further, rural and urban populations have very different limitations in access to WASH services. Rural populations may experience stressed access to water due to groundwater decline and depletion. Whereas urban populations suffer more with the affordability of water.

**Figure 41: WASH outcomes in Lesotho by location**



Source: Multiple Indicator Cluster Surveys (MICS) 2019

Apart from the geographical inequalities, there is presently no data on the inequalities that vulnerable households may face in accessing WASH services.

## Multidimensional Risks

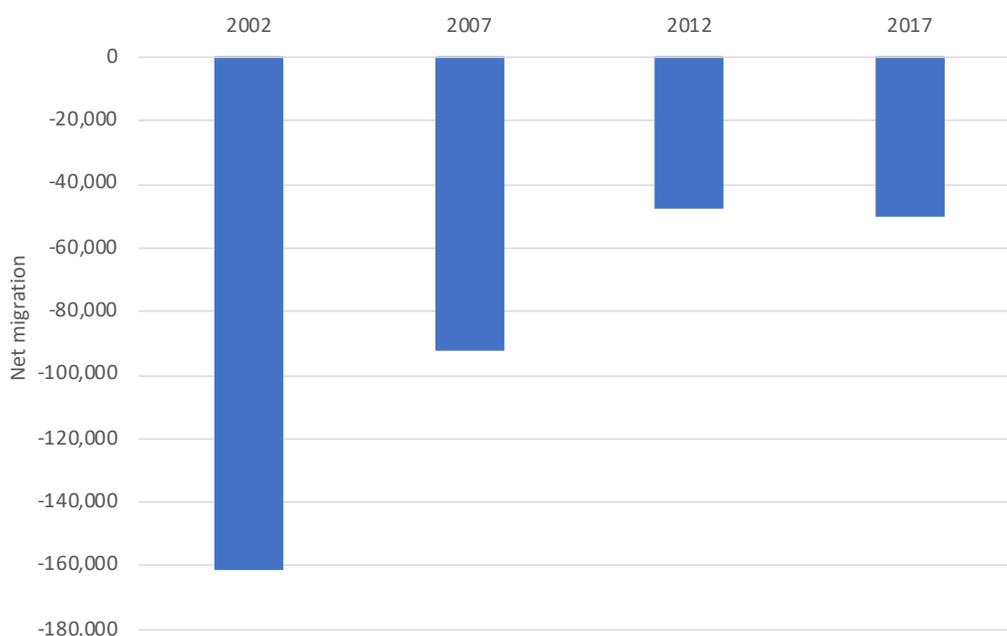
Climate change poses a serious risk to WASH outcomes in Lesotho. Lesotho experiences recurrent droughts, which gravely affects water security (see [CLIMATE CHANGE](#)).

### MIGRATION

#### Progress towards 2030 Agenda and the SDGs

The Kingdom of Lesotho experiences high levels of net emigration. Net emigration decreased between 2002 and 2012 as fewer Basotho left Lesotho, but this reversed in the most recent indicators (in 2017, *figure 42*). The Migration Policy Institute estimate that Lesotho's net migration rate was -6.1% in 2020<sup>82</sup>, whilst UNDESA<sup>83</sup> estimate that over 10% of the population of Lesotho are labour migrants.

**Figure 42: Net Migration**



Source: World Bank, Health Nutrition and Population Statistics, 2020

Further, Lesotho's emigration stood at over 30% of the skilled labour force in 2019, compared to a global average of just 5%<sup>84</sup>, demonstrating significant brain drain and also that lack of employment is a key push factor for migration (see [EMPLOYMENT](#)). Whilst migrants' remittances are substantial and critically support 17% of Basotho households to afford basic necessities<sup>85</sup>, the impact of losing skilled labour has a net negative impact in preventing sustainable economic development and a dynamic private sector (see [ECONOMIC GROWTH](#)). The Government of Lesotho is currently drafting a National Diaspora Policy in order to better engage the diaspora to the benefit of Lesotho's socioeconomic development.

Irregular migration is common and increases the vulnerability of migrants. The unique geographical position of Lesotho, economic power of South Africa compared to that of Lesotho, and porous borders

82 The Online Journal of the Migration Policy Institute, Migration Information Source, Lesotho, 2020

83 UNDESA, 2019, International Migration Report

84 United Nations Department of Economic and Social Affairs, 2020, Population Division

85 IFAD, 2018

between Lesotho and South Africa, contribute to irregular migration patterns. While formal migration offers positive development dividends to both countries, unsafe and irregular migration not only complicates the management of orderly border crossings, but it also heightens the risk of Trafficking in Persons (TiP).

Trafficking in Persons (TiP) is a growing concern for the Kingdom of Lesotho. In the 2020 Trafficking in Persons Report, the Kingdom of Lesotho was downgraded to Tier 3, in part due to lack of investigation or prosecution surrounding trafficking and a lack of support for victims.<sup>86</sup>

The Government of Lesotho's National Consultative Committee on Migration (NCC) constitutes a multi-agency and multi-sectoral advisory body on migration that has made significant achievements in the inclusion of migration governance and management in national planning. Under the NCC's guidance, the Kingdom of Lesotho signed the Global Compact on Migration in December 2018 to ensure safe orderly and regular migration and was encouraged to include migration in the National Strategic Development Plan (NSDP II). The NSDP II considers labour migration, diaspora engagement, integrated border management/cross-border issues management, including counter trafficking and smuggling, and internal migration management. Indeed, numerous policies and framework exist to promote effective migration management in Lesotho, including the Migration and Development Policy, the Diaspora Engagement Policy, the Labour Migration Policy, the Remittances Framework, the Migration Data Management Framework and the Anti-Trafficking in Persons Framework. However, the existence of the Anti-Trafficking in Persons Framework contrasts with Lesotho being downgraded to a Tier 3 country in Trafficking in Persons and thus indicates a lack of implementation (see [PUBLIC SERVICE DELIVERY](#)).

### Impact of COVID-19

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Approximately 100,000 labour migrants returned from South Africa at the onset of the pandemic. The global economic contraction as a result of COVID-19 increases the risk of long-term unemployment, especially for contract and informal workers<sup>87</sup>.

A rapid assessment<sup>88</sup> identifies migrant returnees to be 40% youth (15-24 years old), 24% aged 36-45 years old and 19% below the age of 25 years. 81% of returnees returned due to the COVID-19 outbreak in South Africa and 62% returned due to a loss of employment. Further the majority of returnees had been engaged in low-skilled informal work, including domestic work (20%), construction (19%), commercial activities (16%), mining (15%) and agriculture (11%).

The majority of returnees also face extreme stress on their return to Lesotho due to an inability to support themselves and integrate into society (*figure 43*). Consequently, 84% of returnees hope to return to South Africa for employment.

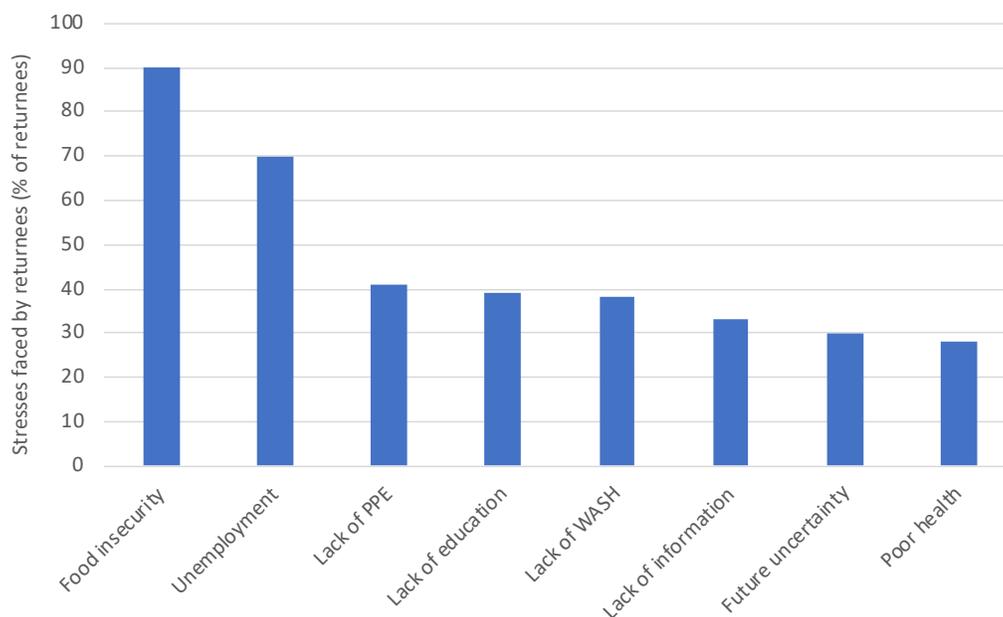
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86 US Department of State, 2020 Trafficking in Persons Report: Lesotho

87 IOM, 2020, Rapid Assessment of the Livelihood Situation of Returnees and COVID-19 Preparedness and Response in Migration Affected Areas in Lesotho

88 IOM, 2020, The Rapid Assessment of the Livelihood Situation of Returnees and COVID-19 Preparedness and Response level in Migration Affected Areas in Lesotho

**Figure 43: Concerns facing migrant returnees during COVID-19**



Source: IOM Rapid Assessment of the Livelihood Situation of Returnees, July 2020

### Leaving No One Behind, Human Rights, Gender Equality and Women’s Empowerment, Environmental Stewardship

Migrants are not included in social protection programmes or the Lesotho Social Protection Strategy and are therefore at risk of being excluded (see [SOCIAL PROTECTION](#)).

Migrants with health conditions may face unnecessary exclusion. There is a significant challenge of access to cross-border health services by migrants or mobile populations. A rapid assessment<sup>89</sup> identifies that although Lesotho has several laws, policies and strategic frameworks that provide for universal access to health care services, migrants are typically absent in the legislation. Further, a lack of legal identification documents amongst irregular migrants, a lack of medical records, stigma and discrimination (perceived or real) and a lack of knowledge of migrants’ rights frequently prevents migrants from accessing health facilities.

There is also a risk that the children of migrants may be left behind. Globally, the children of migrants typically report better learning and health outcomes as migrants prioritise their learning and send remittances to support children’s development. However, there is also a risk that under the absence of parental supervision, children may resort to negative behaviours.

More positively, Lesotho’s National Consultative Committee on Migration (NCC) comprises a wide variety of members representing different interest groups. Members include the Ministry of Home Affairs, the Ministry of Foreign Affairs, the Ministry of Social Development, the Ministry of Development Planning, the Ministry of Trade and Industry, the Ministry of Health, the Ministry of Labour and Employment, Lesotho National Development Corporation (LNDC), the private sector, academia, migrant associations and NGOs. The variety in membership should ensure better consideration for a variety of peoples.

<sup>89</sup> IOM, 2020, Rapid Assessment on Best Practices and Challenges in Regard to Cross-Border Access to Health Services including Sexual and Reproductive Health

## Multidimensional Risks

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Socio-economic factors such as poverty (see [POVERTY](#)), unemployment (see [EMPLOYMENT](#)), lack of job opportunities in rural areas and high food insecurity (see [NUTRITION AND FOOD SECURITY](#)) caused by recurrent droughts (see [CLIMATE CHANGE](#)) fuel irregular migration from Lesotho to South Africa, which further risks Trafficking in Persons (TIP) and smuggling of migrants.

Further, Lesotho's downgrade to a Tier 3 country in the 2020 Global Trafficking in Persons (TIP) report threatens to erode donor funding towards migration policies and programmes, but also wider development programmes such as the AGOA and Millennium Challenge Corporation grants.

The Kingdom of Lesotho, experiences brain drain, whereby a limited availability of skilled labour, due to high emigration, reduces Lesotho's economic productivity and reduces foreign direct investment. At the same time, the mass exodus of unskilled labour has reduced the size of Lesotho's labour force and thus its economic potential (see [ECONOMIC GROWTH](#)).

Migrants have a higher HIV/AIDS burden (see [HEALTH](#)).

## REFUGEES AND INTERNAL DISPLACEMENT

### Progress Towards 2030 Agenda and the SDGs

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Despite being a low-income country, Lesotho has hosted asylum seekers and refugees since 1960 and encourages local integration through non-encampment of the refugee and asylum populations. The status and treatment of refugees in Lesotho is governed under the 1983 Refugees Act and implemented by the Ministry of Home Affairs (MoHA) through its Office for the Commissioner for Refugees (CfR), with the technical and financial assistance of the UN. The Kingdom of Lesotho acceded to the 1954 Convention relating to the Status of Stateless Persons (the 1954 Convention) and to the 1961 Convention on the Reduction of Statelessness (the 1961 Convention) in 1974 and 2004 respectively. The Kingdom of Lesotho currently hosts 419 asylum seekers and refugees. Most refugees in Lesotho originate from the DRC; other main sources of refugees include Burundi, Cameroon, Eritrea and Ethiopia. 43% of Lesotho's refugees are women and 57% are men.

Upon arrival to Lesotho, the Population of Concern (PoC) are welcomed at Mohalalitoe Refugee Reception Centre (MRRC) and provided with accommodation, food, water, electricity and security; once they are settled, refugees and asylum seekers are expected to integrate with the Basotho community. Vulnerable groups, such as people with disabilities, the elderly, unaccompanied and separated children, are provided with more assistance for a longer period of time. Refugees are included in national service provision and are provided with social grants if they qualify, under the same conditions as Basotho.

50% of the population live below the US\$1.90 poverty line<sup>90</sup>, and thus efforts to integrate refugees and asylum seekers have to be combined with efforts to eliminate poverty (SDG1) (see [POVERTY](#)). The protection of refugees and asylum seekers in Lesotho also contributes towards reducing inequalities within and among communities (SDG10) and promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions (SDG16) (see [GOVERNANCE](#)). At the 2019 Global Refugee Forum (GRF), the Kingdom of Lesotho pledged to grant children of unknown origin Basotho nationality and to prevent statelessness.

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90 World Bank, 2020, Country Overview, Lesotho

In its refugee response, Lesotho also aims to provide inclusive and equitable quality education and to promote lifelong learning opportunities for all (SDG4). The Government of Lesotho supports PoC to complete secondary education and has pledged to improve refugee enrolment in higher education, vocational training and skills development by 2021.

The Government of Lesotho is also in the final stages of integrating a Refugee Response Plan into the National Disaster Management Strategy, which will contribute towards providing urgent action to combat climate change and its impacts (SDG13) (see [CLIMATE CHANGE](#)).

### Impact of COVID-19

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As the number of COVID-19 cases increase in Lesotho, the vulnerability of refugees and asylum-seekers will be heightened. There will be more competition for a limited pool of resources. Further, the anticipated slow recovery (Lesotho's economy is not expected to recover to 2019 levels until 2022, see [ECONOMIC GROWTH](#)) will reduce employment opportunities (see [EMPLOYMENT](#)) and render an increasing number of people dependent on social protection (see [SOCIAL PROTECTION](#)). Yet, the ability of the Government to offer social protection to those in need will also be constrained by the underperforming economy.

### Leaving No One Behind, Human Rights, Gender Equality and Women's Empowerment, Environmental Stewardship

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As with social protection frameworks, measures to protect refugees and asylum seekers by their very nature aim to leave no one behind, by targeting the most vulnerable people in society. The United Nations in Lesotho provides Cash Based Interventions (CBIs) to the vulnerable refugees and households in Lesotho.

### Multidimensional Risks

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Accurate figures for gender-based violence (GBV) are unknown amongst PoC in Lesotho. However, poor environmental conditions of the MRRC, the COVID-19 pandemic and associated movement restrictions, requirements to maintain social distancing in limited space and the loss of livelihoods all increase individuals' stress levels and increase the risk of GBV occurring (see [GENDER](#)).

## SOCIAL PROTECTION

### Progress towards 2030 Agenda and the SDGs

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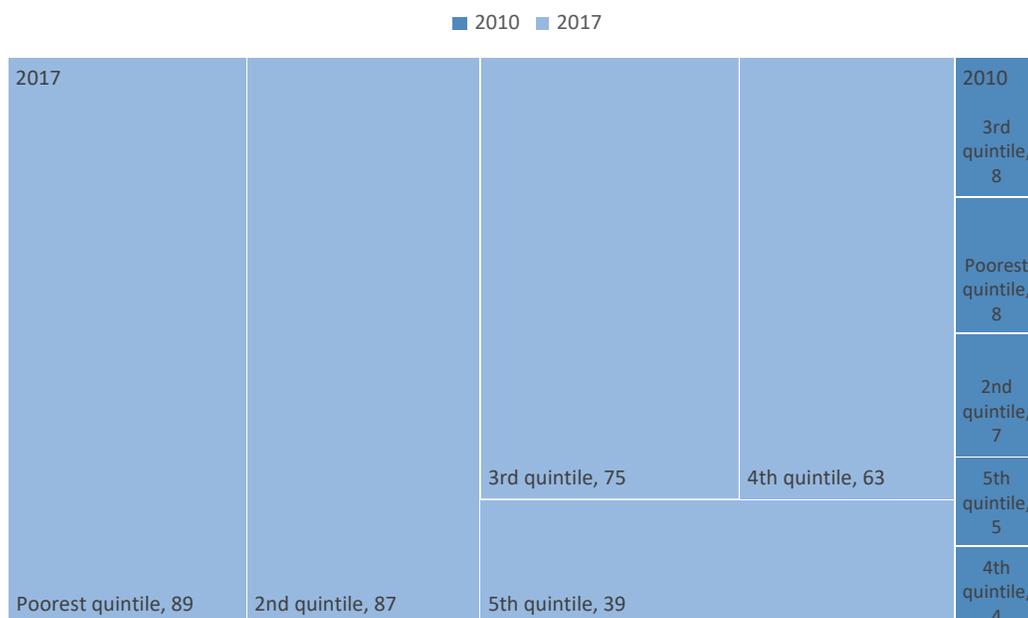
The social protection framework in Lesotho contributes to a multitude of SDGs, including ending poverty in all its forms everywhere (SDG1, see [POVERTY](#)) and reducing inequality within and among communities (SDG10). The social protection framework is governed by the National Policy on Social Development (2014/15-2024/25) and the National Social Protection Strategy (NSPS, 2014/15-2018/19). The National Social Protection Strategy (NSPS, 2014/15-2018/19) is in the process of being reviewed and renewed.

In order to address poverty in all of its forms, the Government of Lesotho implements both core and complementary programs. Core programs include the child grant program (CGP), public works, old-age pensions and public assistance. In addition, infant and disability grants have recently been approved as part of the National Social Protection Strategy but are yet to be implemented. Complementary programs include school feeding programs, bursaries for orphans and vulnerable children (OVC), tertiary bursaries, and additional pension outlays. Support to vulnerable children is mostly achieved through the CGP and OVC bursary, both implemented by the Ministry of Social Development. In total, the two programs cover

134,470 children; the CGP currently covers 50,000 households or 110,625 children, whilst the OVC bursary covers 23,845 children. The CGP has steadily increased its coverage from 38,738 household in 2018 to approximately 50,000 in 2020; whilst the OVC bursary coverage has remained quite stable.

Under targeted programs, the proportion of the population covered by social protection programs has increased from 6% in 2010 to 71% in 2017<sup>91</sup>. Further, Lesotho’s social protection programs have become better able to reach their intended recipients: the poorest members of society (*figure 44*).

**Figure 44: Coverage of social safety nets**



Numbers refer to the proportion of the population receiving social support.

Source: World Bank, World Development Indicators

### Impact of COVID-19

Increased cash transfers under the CGP were planned in response to COVID-19, targeting both existing and new beneficiaries. However, these were delayed and are now planned for 2021.

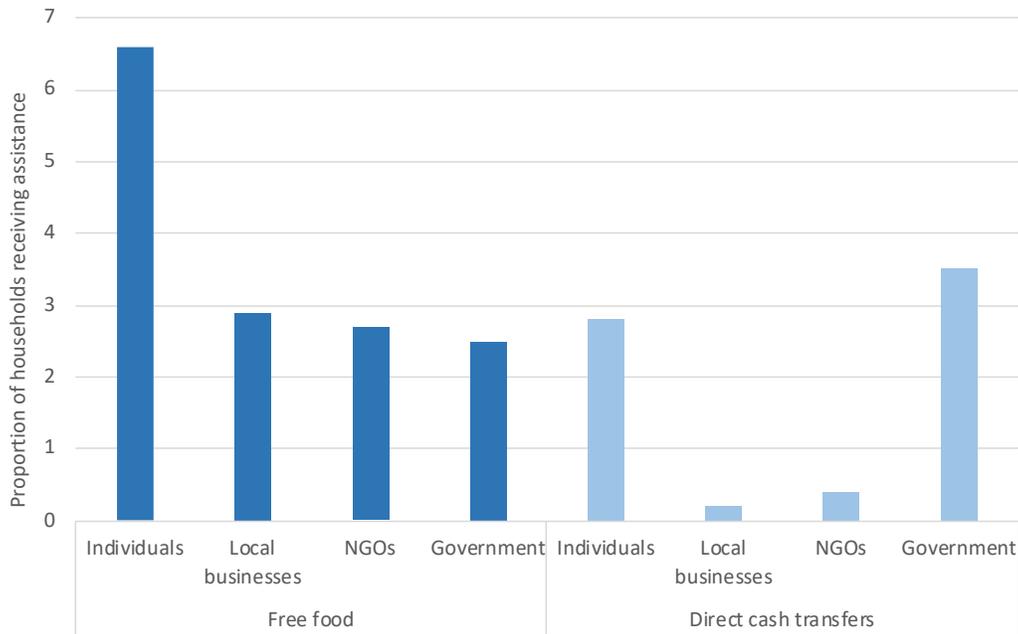
As already mentioned, children are particularly exposed to poverty in Lesotho (see [POVERTY](#)), and this has only been exacerbated by the closure of schools during the COVID-19 pandemic (see [EDUCATION](#)). By expanding the CGP to also respond to the COVID-19 pandemic, vulnerable households with children will receive cash transfers.

22% of household in Lesotho are estimated to have received some form of assistance during the COVID-19 pandemic, of which 15% received free food and 7% received direct cash transfers<sup>92</sup>. The majority of free food and cash transfers was provided by individuals to households (*figure 45*).

91 World Bank, World Development Indicators, 2020

92 Bureau of Statistics, 2020, Covid-19 Socio-Economic Impact on Households Survey

**Figure 45: Sources of social assistance during COVID-19**

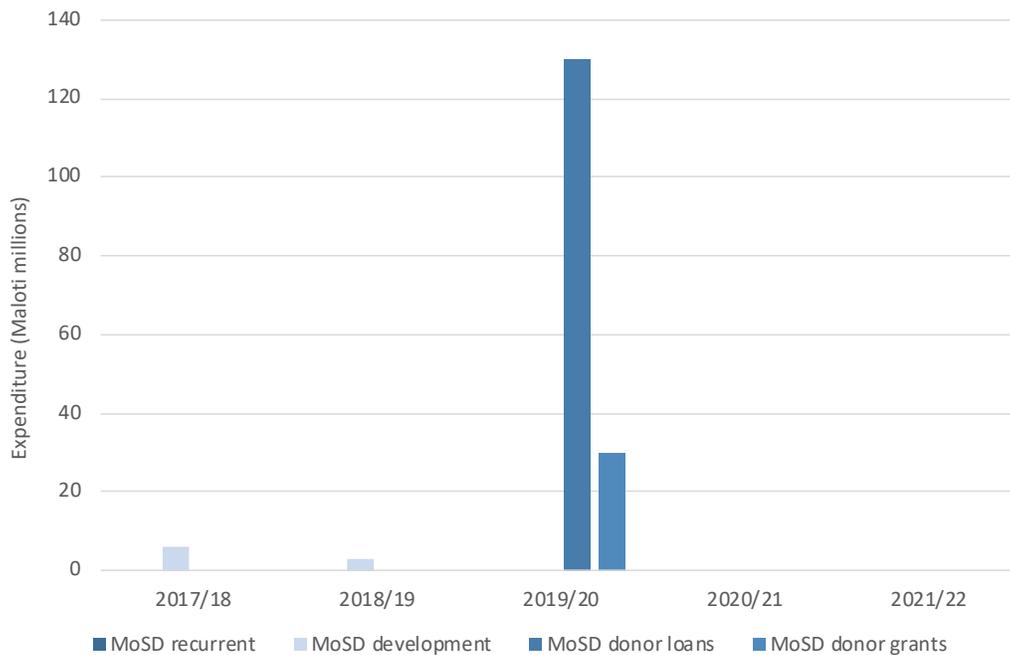


Source: Bureau of Statistics, Covid-19 Socio-Economic Impact on Households Survey, October 2020

### SDG Financing Landscape

After two years of consecutive decline, total expenditure on social protection is projected to peak at 8.4% of GDP in 2020/21, compared to 5.5% of GDP in 2018/19.

**Figure 46: Expenditure by Ministry of Social Development**



Source: 2019/20 Budget Book

Planned expenditure by the Ministry of Social Development is minimal. In 2019/20, the Government approved zero expenditure to the Ministry of Social Development, although donors channelled Maloti 160 million (US\$ 10 million) through the Ministry (*figure 46*).

However, donor's overall expenditure on social welfare and humanitarian responses has increased from US\$ 63 million in 2018/19 to US\$ 71 million in 2019/20, whilst the balance has shifted substantially as the COVID-19 pandemic diverted funds from social welfare and towards the immediate emergency humanitarian response. Donor's social welfare spending decreased from US\$ 38 million in 2018/19 to US\$ 14 million in 2019/20, whilst spending on humanitarian responses increased from US\$ 25 million in 2018/19 to US\$ 57 million in 2019/20<sup>93</sup>.

To respond to the COVID-19 pandemic and effects of the national lockdown, the European Union committed € 5.5 million additional financing to support vulnerable and affected households.

### Leaving No One Behind, Human Rights, Gender Equality and Women's Empowerment, Environmental Stewardship

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Social protection frameworks by their very nature aim to leave no one behind, by targeting the most vulnerable people in society. The United Nations in Lesotho uses a Vulnerability Assessment and Analysis to guide its social protection, and thereby regularly identifies the most vulnerable and in need. Further, the National Information System for Social Assistance (NISSA) is currently being expanded to host data across both rural and urban areas. The system currently holds data across 331,000 rural households and is targeting the inclusion of an additional 216,000 urban households. This will enable Lesotho to rapidly respond to shocks, by being able to identify household wealth across a significant proportion of the population.

### Multidimensional Risks

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Frequent turn-over of Government staff and associated political instability undermines Government planned activities, particularly those that require strategic preparation and political advocacy over a longer period (see [GOVERNANCE](#)). For example, the transition of the CGP to digital payments has been delayed as new Government staff have to be engaged and briefed prior.

Relatedly, weak coordination between the Disaster Management Authority (DMA) and the Ministry of Social Development (MOSD) reduces NISSA's capacity to respond and reach people in need of support. The DMA and MOSD are currently working on a Memorandum of Understanding (MOU) that will guide the partnership between the two key ministries.

The fall in remittances due to the COVID-19 pandemic and rising unemployment globally, has been a challenge for vulnerable households and is likely to continue over the short to medium term as the pandemic continues (see [ECONOMIC GROWTH](#)).

Climate change and the associated changes in weather patterns enhances the severity of climatic shock that the Basotho experience (see [CLIMATE CHANGE](#)). Droughts and floods occur with increasing frequency and erode food security and income generating capacity, particularly for smallholder farmers or those in rural areas. A solid early warning/early action system would reduce the damage caused by climatic events, but this requires adequate funding and qualified staff at both central and district levels.

## ENVIRONMENT AND CLIMATE CHANGE

Environmental stewardship and climate change adaptation are key to achieving several SDG targets in countries like Lesotho whose populations depend largely on agriculture and natural resource for their livelihood.

### CLIMATE CHANGE

#### Progress Towards 2030 Agenda and the SDGs

Lesotho increasingly experiences extreme weather events as a result of climate change. Prolonged dry spells, recurrent droughts, intense rainfall, localised floods, early and late snowfall, hailstorms and strong winds have all become more commonplace than in the past. Current projections forecast that increasing temperatures, decreasing summer precipitation, increasing frequency of droughts, heavy rainfall, hailstorms, prolonged mid-season dry spells and the late start and early end of the rainy season will persist<sup>94</sup>.

The aforementioned weather patterns will in turn increase the vulnerability of climate-sensitive sectors, including agriculture (see [AGRICULTURE](#)), forestry, water (see [WASH](#)), livestock and health.

Lesotho is a negligible net emitter of Greenhouse Gases (GHG); net emissions amount to just 2,134.91 Gg CO<sub>2</sub>eq. Rural households predominantly use biomass to generate energy, whilst industries predominantly use imported fossil fuels. Therefore, a transition to green energy should continue to support households and target a behavioural change amongst firms. Lesotho has potential wind, hydropower and solar energy resources and a transition to clean energy offers significant job creation (see [EMPLOYMENT](#)) as globally, green energy creates significantly more jobs than fossil fuels<sup>95</sup>.

The Government of Lesotho has approved a National Climate Change Policy (2017-2027)<sup>96</sup>, owned by the Ministry of Energy and Meteorology and a National Climate Change Policy Implementation Strategy (2017-22)<sup>97</sup>. The climate change policy aims to build a climate resilient society and promote green development by mainstreaming and integrating climate change into key national socio-economic and environmental sectors. The implementation strategy identifies three areas to achieve the objectives of the strategy: (i) reduce climate risks to people and ecosystems by restoring and protecting natural resources (see [NATURAL RESOURCES](#)); (ii) embrace innovative green development, in particular by taking advantage of financing options and technology, (iii) strengthen the governance and institutional capacity of climate change issues and ensure equal participation of women, men, youth, vulnerable groups, civil society and private sector in climate change strategies (see [GOVERNANCE](#)).

Climate change interventions in Lesotho include the Improving Adaptive Capacity of Vulnerable and Food Insecure Populations in Lesotho (IACOV) project, financed through the Adaptation Fund. The US\$ 10 million project has three objectives: (i) strengthen government capacities to generate climate information and promote its use to forecast risks of climate shocks, mobilise early action, and co-develop tailored and locally relevant climate services for communities, (ii) raise awareness amongst communities, women,

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94 Ministry of Energy, Meteorology and Water Affairs, 2010, Lesotho's Second National Communication to the Conference of Parties (CoP) of the United Nations Framework for Convention on Climate Change (UNFCCC)

95 UNDESA, 2018, Policy Brief #13, Interlinkages Between Energy and Jobs

96 The Kingdom of Lesotho, Ministry of Energy and Meteorology, 2017, National Climate Change Policy

97 The Kingdom of Lesotho, Ministry of Energy and Meteorology, 2017, National Climate Change Policy Implementation Strategy

youth, people living with HIV, and other vulnerable groups on the impacts of climate change, the importance of adaptation, and the use of climate information for seasonal planning and climate risk management, (iii) design and implement, through a community-based planning process, local resilience and adaptation plans focusing on robust asset creation schemes, income diversification and market linkages, for increased adaptive capacity and household resilience<sup>98</sup>.

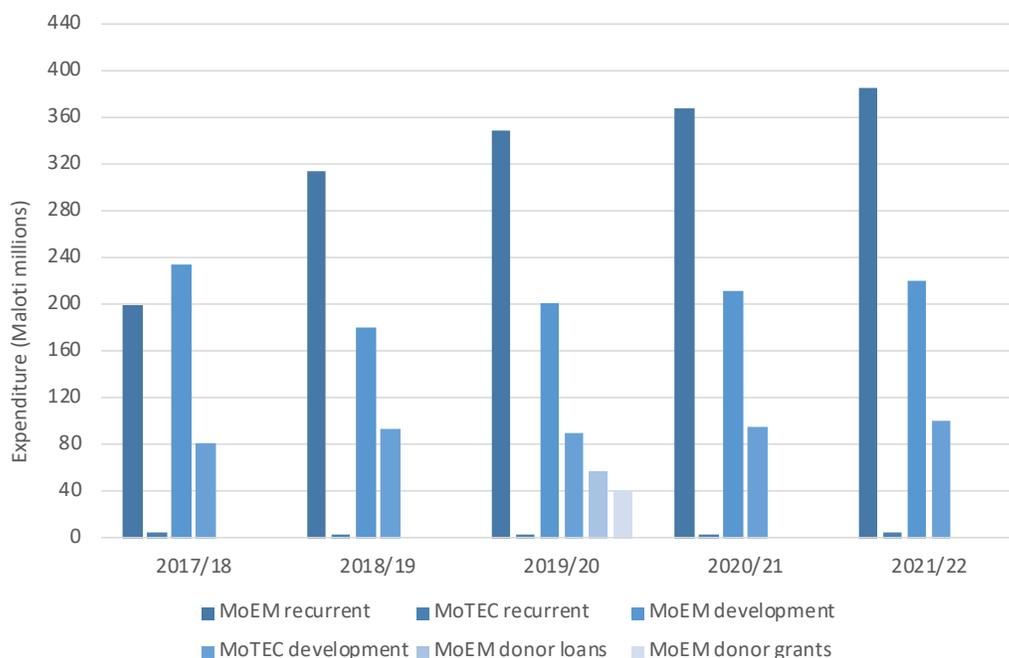
### SDG Financing Landscape

The transition to clean energy is an area where public-private partnerships (PPPs) flourish. The Government of Lesotho has already established a number of PPPs to encourage sustainable energy generation, however there is ample space to increase the public and private financing invested.

Lesotho also has access to multi-lateral financing mechanisms for environment and climate change related programming, including the Global Environment Facility (GEF) and the Green Climate Fund (GCF). A few GEF funded project projects have been designed and implemented in the agriculture and natural resources sector and a few GCF readiness support projects have been designed and implemented, but no mega project proposals have been developed for funding.

In 2019/20 planned expenditure by the Ministry of Energy and Meteorology and the Ministry of Tourism, Environment and Culture amounted to Maloti 645 million (US\$ 42 million), up from 592 million (US\$ 38 million) in 2018/19. Of the Maloti 645 million (US\$ 42 million), Maloti 99 million (US\$ 6 million) is expected to be financed by donors (*figure 47*).

**Figure 47: Expenditure by Ministry of Energy and Meteorology and Ministry of Tourism, Environment and Culture**



Source: 2019/20 Budget Book

## Leaving No One Behind, Human Rights, Gender Equality and Women’s Empowerment, Environmental Stewardship

The impact of climate change tends to disproportionately affect the most vulnerable. 60% of the population of Lesotho are dependent on agriculture, particularly in rural areas, and they are more likely to be affected by drought, floods, land degradation and ultimately lower yields (see [AGRICULTURE](#) and [NUTRITION AND FOOD SECURITY](#)).

Further, if women have to travel further to collect water as a result of drought, they face a greater risk of harassment, threats, assault and sexual violence when fetching water outside the home (see [GENDER](#))<sup>99</sup>.

### Multidimensional Risks

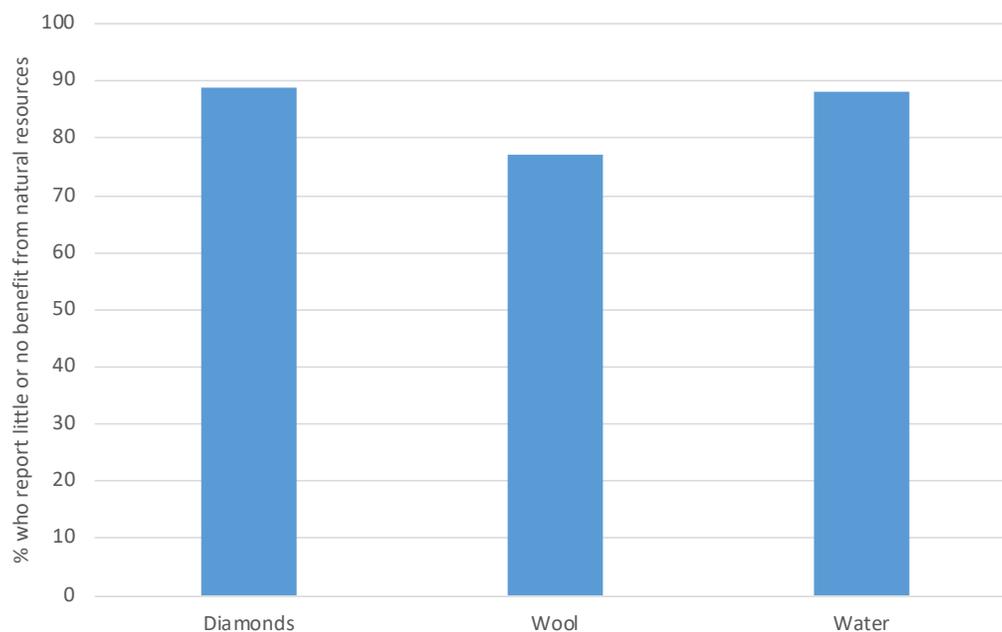
Access to electricity stands at only 47% in Lesotho, with higher access to electricity in urban areas (71%) compared to rural areas (38%). Growing demand for electricity as the country develops will contribute towards climate change unless Lesotho transitions to clean energy.

Government regulations and policies do not encourage private sector engagement to their potential (see [PRIVATE SECTOR](#)). An enabling environment (for example supportive regulatory frameworks for off-grid generation and performance-based incentives for private sector involvement) has enormous potential to attract additional private investment in renewable energy generation.

## NATURAL RESOURCES

### Progress Towards 2030 Agenda and the SDGs

**Figure 48: Population not benefitting from natural resources**



Source: AfroBarometer, 2020

99 A/HRC/42/47/Add.1. Para. 10.

The Kingdom of Lesotho is particularly rich in diamonds, wool and water, which make up a key component of Lesotho's export base. However, many Basotho feel that they do not benefit from Lesotho's natural resource endowment (*figure 48*)<sup>100</sup>.

The livelihoods of rural communities are intrinsically linked with their environment and natural resource base. Sustainable management of the environment and its natural resource base is therefore key to sustaining the livelihoods of the rural populations. However, Lesotho's land and water resources are under tremendous pressure from soil erosion, overgrazing, destruction of wetlands and siltation.

Soil erosion and overgrazing are reducing agricultural productivity (see [AGRICULTURE](#)), the destruction of wetlands has reduced perennial rivers into seasonal streams, whilst siltation and indiscriminate use of agro-chemicals is destroying aquatic ecosystems. Climate change only exacerbates the deterioration of Lesotho's natural resources (see [CLIMATE CHANGE](#)).

Both pastoralists and rural communities have experienced decreasing access to quality land due to a combination of land degradation and Government enforced displacement.

### SDG Financing Landscape

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Lesotho generates sizeable revenue through royalties generated from the transfer of water from the Lesotho Highlands to the industrial hub (Gauteng) of South Africa under the Lesotho Highlands Water Scheme.

### Leaving No One Behind, Human Rights, Gender Equality and Women's Empowerment, Environmental Stewardship

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The rural population are particularly dependent on Lesotho's natural resource base and so suffer disproportionately from a lack of access to natural resources and deteriorating land and water quality. Further, the rural population suffer higher poverty levels than the urban population (see [POVERTY](#)).

### Multidimensional Risks

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Environmental mismanagement ultimately erodes food security (see [NUTRITION AND FOOD SECURITY](#)), poverty alleviation (see [POVERTY](#)) and long-term sustainability. Climate change only exacerbates the deterioration in the environment (see [CLIMATE CHANGE](#)).

Further, increasing competition for pastoral land heightens the risk of conflict between pastoralists and rural communities (see [HUMANITARIAN-DEVELOPMENT-PEACE NEXUS](#)).

Government-enforced displacement of rural communities also exacerbates individual's vulnerability and trust in Government (see [HUMANITARIAN-DEVELOPMENT-PEACE NEXUS](#)).

## GOVERNANCE, INSTITUTIONAL CAPACITY AND HUMAN RIGHTS

### GOVERNANCE

#### Progress Towards 2030 Agenda and the SDGs

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According to Lesotho's Vision 2020, the Kingdom shall be a stable democracy<sup>101</sup>:

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100 AfroBarometer, 2020, Amid lucrative exports of natural resources, Basotho overwhelmingly feel left out.

101 Government of Lesotho, 2018, Lesotho Vision 2020

*“where the principles of good governance will be anchored on the respect for human rights, the rule of law, political openness, political participation and tolerance. This form of governance will be based on five pillars of democracy which include: supremacy of the will of the people, transparency, a devoted and efficient public service, justice for all and efficient chieftainship.”*

The Kingdom of Lesotho is committed to good governance, the pursuit of peaceful and inclusive societies and access to justice for all while building effective, accountable and inclusive institutions at all levels. Albeit its chequered history of episodes of instability and political unrest (see [POLITICAL STABILITY](#)), notable progress includes reforms to the electoral process from the “first-past-the-post” (FPTP) to “mixed-member proportional” (MMP) representation and peaceful alternation of power between contending parties and coalitions.

However, continuous political instability necessitated the intervention of the Southern African Development Community (SADC) in Lesotho’s polity since 2014. Under the SADC intervention, the Government of Lesotho (GoL) embarked on a transparent, all-inclusive, broad-based national reforms process. Identified reforms were publicly validated and internationally endorsed at the National Multi-Stakeholder National Dialogue Plenary II on 26th November 2019. The public validation was followed by 500 in-district and diaspora consultations, 7 National Leaders Forums and the enactment of the National Reforms Authority (NRA) Act, 2019. The 2019 NRA Act established the National Reforms Authority as the legally mandated institution to oversee implementation of the agreed reforms within eighteen months. The authority is insulated, safeguarded, and guaranteed by law to carry on the reforms process in a transparent and independent manner without any interference by the Government or any stakeholder.

Access to justice suffers from inefficiencies in the judiciary and there are inordinate delays in the dispensing of cases to courts. There is further a high backlog of court cases and prisons are overcrowded. Because justice is delayed, suspects of crime sometimes face mob violence, which triggers social unrest (see [HUMANITARIAN-DEVELOPMENT-PEACE NEXUS](#)). Many people, especially vulnerable groups, are unable to access the highly centralised justice system, or to understand the proceedings. This fuels public perception that the law protects the more privileged and affluent of society. The newly inducted Chief Justice has indicated his intent to prioritise access to justice and expedited delivery of justice.

There is also a lack of informed policy making, driven by data shortcomings. The Bureau of Statistics is currently developing the second National Strategy for Development of Statistics after the first expired in 2018 and an assessment of its efficacy was conducted in 2019. The strategy aims to increase coverage of SDG indicators and to better disaggregate data, including for gender. The Bureau also intend to better work with local administrations to collect micro-level health and education data, although suffer from a lack of harmonisation between institutions in reporting people with disabilities (institutions use different definitions of disability). Further, the Bureau of Statistics are situated within the Ministry of Development Planning, which hinders their impartiality and their operational efficiency as their work has to be overseen by the Minister<sup>102</sup>.

Although the Government of Lesotho has committed to strengthening the principles of transparency, accountability and participation in the affairs of government, the country’s democracy remains fragile. The opposition in Parliament generally lack the muscle to hold politicians and civil servants accountable

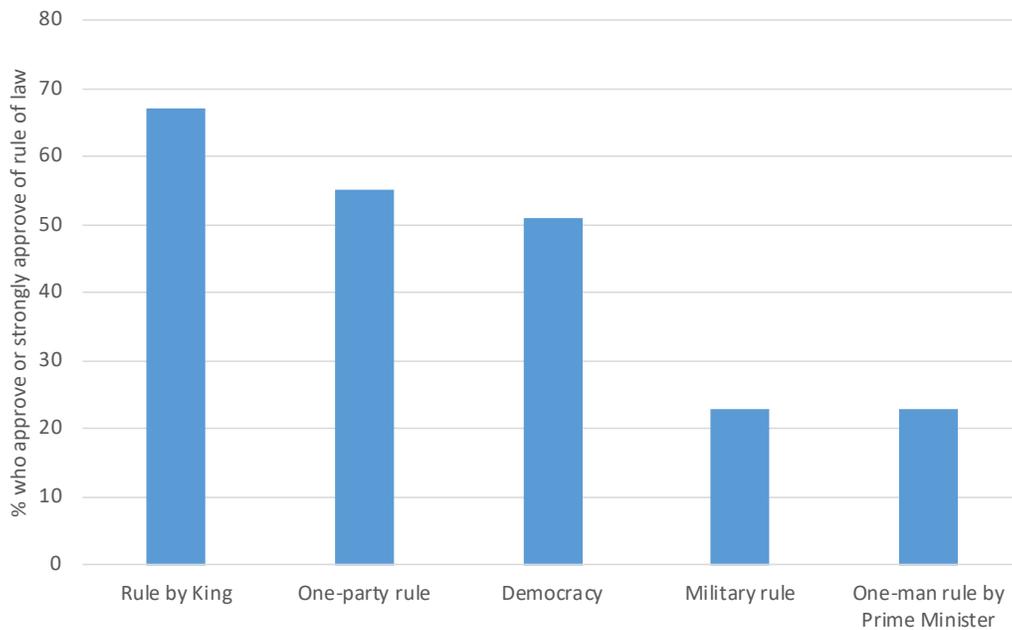
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<sup>102</sup> Meeting with UN agencies and the Bureau of Statistics, 10<sup>th</sup> December 2020

or are unable to expose government shortcomings. The Basotho society lacks a formidable ‘civic culture’, which is important in any democracy.

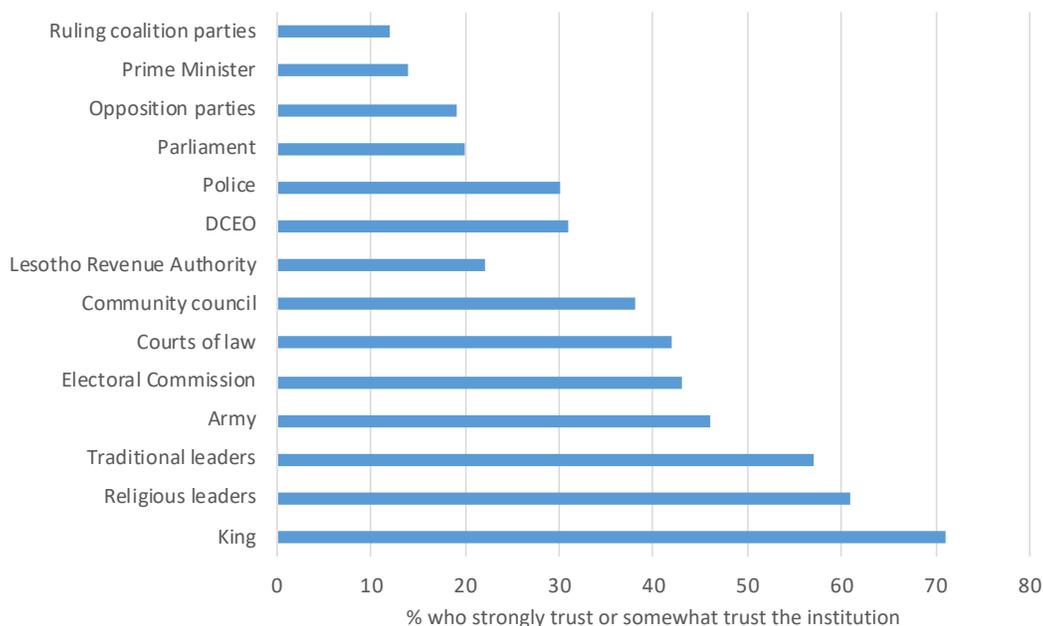
The 2020 AfroBarometer reports that 57% of Basotho are not satisfied with how democracy operates in Lesotho and that 66% of Basotho would support the abolishment of elections and parliament in favour of the monarchy (*figure 49*). Monarchy rule is a particularly popular option among young respondents (71%), women (70%) and those who are not close to any political party (70%).

**Figure 49: Citizens favoured rule of law**



Source: 2020 AfroBarometer

**Figure 50: Public trust in institutions**



Source: 2020 AfroBarometer

Further, the King is reported to be trusted by about five times as many citizens as the [former] prime minister (*figure 50*). The 2020 AfroBarometer covers the period February to March 2020 and thus the previous administration<sup>103</sup>, nonetheless the results indicate a very negative perception of Government, which may be difficult for the new administration to reverse.

Lesotho has established key oversight bodies to increase accountability and good governance in both the public and private sector, these include the Office of the Auditor General, the Directorate on Corruption and Economic Offences, the Office of the Ombudsman, the Human Rights Commission, the Police Complaints Authority, and Civil Society Organizations. However, some institutions have weakened due to a lack of both technical and financial resources and limited autonomy to act independently. For example, the Ombudsman has limited autonomy and capacity; its functionality limited by the fact that it cannot enforce non-binding recommendations. Further, overlapping mandates for the DCEO and Police Complaints Authority (PCA) limit the peaceful resolution of conflicts (see [HUMANITARIAN-DEVELOPMENT-PEACE NEXUS](#)).

### Impact of COVID-19

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Central to governance is participation, inclusion and accountability. COVID-19 restrictions and the limited digital capacity in Government reduces the space for civic engagement, participation and in the short-term. During the COVID-19 pandemic, policy decisions have largely been driven by technocrats and persons working in the centre of Government. It will be important to ensure that democratic space is not reduced over the short- to long-term as a result of the COVID-19 pandemic.

Given Lesotho's vulnerability to the socio-economic environment in South Africa, it is important to have a strong framework in place between the two countries. A joint bilateral commission of cooperation (JBCC) between the Kingdom of Lesotho and the Republic of South Africa exists, but was dormant between 2013 and 2020. However, in June 2020 Presidents Ramaphosa and Majoro rejuvenated the JBCC in response to COVID-19. Between June and November 2020, 34 Agreements and Memoranda of Understanding (MoU) were signed under the JBCC, which aims to foster cooperation in agriculture (see [AGRICULTURE](#)), mining, infrastructure development, defence and security, economy and finance, trade and investments (see [ECONOMIC GROWTH](#) and [PRIVATE SECTOR](#)) as well as social (see [SOCIAL INCLUSION](#)) and humanitarian affairs (see [HUMANITARIAN-DEVELOPMENT-PEACE NEXUS](#)).

Short-term priorities, such as the cross-border movement of goods and services and the smooth transfer of school-going children across borders, have been addressed under the cooperation framework; whilst long-term issues, such as youth unemployment (see [EMPLOYMENT](#)) and female inclusion in economic activities (see [GENDER](#)) have been highlighted.

### SDG Financing Landscape

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In 2019/20 planned expenditure by the Ministry of Justice and Correctional Services, Ministry of Law and Constitutional Affairs and the Judiciary amounted to Maloti 9 million (US\$ 0.6 million), down from Maloti 21 million (US\$ 1.4 million) in 2018/19. No donor financing passes through the Ministry of Justice and Correctional Services, Ministry of Law and Constitutional Affairs or the Judiciary (*figure 52*).

The United Nations has also committed US\$ 3.3 million to improving governance in Lesotho under five programmes (*figure 51*).

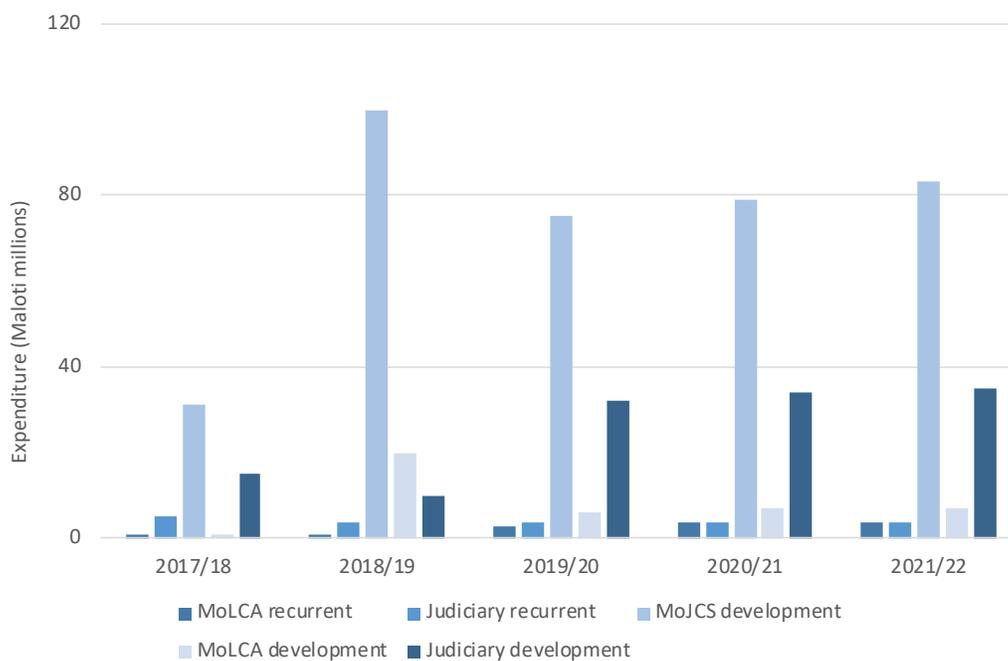
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103 AfroBarometer, 2020, Lesotho

**Figure 51: UN financing to SDG 16**

Project Name	Donor	Resources USD (\$)	Time Frame
National Peace Architecture (NPA)	Joint UNDP-DPPA	98,000	2020-2021
National Peace Architecture (NPA)	UNDP	152,000	2020
Lesotho National Dialogue and Stabilization Project (LNDSP)	UN Peacebuilding Fund	3 million	2018-2020
UBRAF	UN AIDS	65,000	2019-2020
Human Rights Commission	UNTP	40,000	2020

**Figure 52: Expenditure by Ministry of Justice and Correctional Services, Ministry of Law and Constitutional Affairs and the Judiciary**



Source: 2019/20 Budget Book

### Leaving No One Behind, Human Rights, Gender Equality and Women’s Empowerment, Environmental Stewardship

There is a significant deviation between Lesotho’s commitment to international and regional human rights protocols and their implementation. Although laws relating to human rights, gender inclusion (see [GENDER](#)) and leaving no one behind exist, they are not always implemented accordingly. Political instability will only exacerbate the lack of implementation of laws pertaining to human rights laws, which will disproportionately affect those that are most at risk of being socially excluded.

Women’s political participation is limited. Inter-Parliamentary Union reports that in 2020 women in Lesotho hold just 23% of seats in the national assembly (28/120) and 22% of seats in the Senate (7/31). At the Ministerial level, only 2 out of 27 cabinet positions are occupied by women, representing a mere 7%. However, over 60% of technical civil service posts are manned by women (see [GENDER](#)).

People living with disabilities are not represented in Parliament or Government.

## Multidimensional Risks

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Intra and interparty rivalries has led to frequent changes in ruling coalition and overall political uncertainty. Continuous changes in the composition of coalition governments has created a position where policy consistency within government is fading.

Limited access to justice threatens to undermine social cohesion and may contribute towards undesirable activities, such as trafficking in persons (see [MIGRATION](#)).

Corruption threatens to undermine the Government of Lesotho's commitment to good governance and public trust in the Government of Lesotho (see [PUBLIC SERVICE DELIVERY](#)).

## POLITICAL STABILITY

### Progress Towards 2030 Agenda and the SDGs

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The Kingdom of Lesotho has a long history of political instability and security concerns. Instances of instability and insecurity constrain the performance of state institutions and their ability to deliver public services (see [PUBLIC SERVICE DELIVERY](#)). Political parties regularly splinter and consequently governments rarely complete five-year terms. Lesotho held three elections between 2012 and 2017 as unstable coalition governments repeatedly splintered<sup>104</sup>, and whilst there was no election, the most recent government collapse occurred in May 2020.

Frequent changes of governments and consequent high levels of public sector attrition also complicate both Government and donors' development plans and slow progress towards the SDGs, in particular peace, justice and strong institutions (SDG16).

Political mistrust also impedes the Government's ability to formulate and implement policy. Political exclusion and domination, the politicization of the security sector and the securitization of politics deepen political instability. Indeed, mistrust and political infights, particularly within members of coalition governments, has frequently contributed towards government collapse. Fragmented coalition governments have been preoccupied with ensuring their own political survival, which in turn has jeopardised progress in established government agendas.

### SDG Financing Landscape

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The SDG financing landscape in this field, particularly for Lesotho, is limited, as the country is hidden from international media and little is known about the significant conflict and peacebuilding challenges the country is facing (see [HUMANITARIAN-DEVELOPMENT-PEACE NEXUS](#)).

## Multidimensional Risks

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Deep political instability experienced in Lesotho can lapse to violent conflict at any time (see [HUMANITARIAN-DEVELOPMENT-PEACE NEXUS](#)).

Poverty (see [POVERTY](#)) and unemployment (see [EMPLOYMENT](#)), especially among the youth, fuel political volatility as vulnerable people or those at risk of being left behind see political alignment as a path to employment and income.

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<sup>104</sup> Government of Lesotho, 2019, The Kingdom of Lesotho Voluntary National Review on the Implementation of The Agenda 2030 Report

Further, as mentioned above, political instability constrains the performance of state institutions and thus their ability to deliver public services (see [PUBLIC SERVICE DELIVERY](#)), which in turn risks exacerbating the vulnerability of the Basotho (see [POVERTY](#), [EDUCATION](#), [WASH](#) and [SOCIAL PROTECTION](#)).

## PUBLIC SERVICE DELIVERY

### Progress Towards 2030 Agenda and the SDGs

Politicization of the civil service, especially at management level, has had a negative impact on public sector delivery. Senior-level ministerial posts (such as Permanent Secretary positions) should be tied to technical capacity and performance, with a clear process of how to ascend to such posts. However, senior-level ministerial posts are instead politicised and suffer frequent changes. Performance management throughout the public sector has been inconsistently applied, however this is currently being introduced by the Ministry of Public Service, supported by the World Bank.

Public service delivery has also been adversely affected by a lack of fiscal decentralisation and cases of corruption.

No guiding framework has yet been developed for fiscal decentralisation and local government structures remain dependent on central government for funding. Local councils cannot collect any revenue.

The Government of Lesotho has established a cabinet sub-committee, chaired by the Deputy Prime Minister, to fast track the decentralization policy reforms. Under NSDP I, the Government formulated and adapted the National Decentralization Policy (2014) to deepen grassroots-based democratic governance and promote equitable local development by enhancing civic participation, while maintaining effective functional and mutually accountable linkages between central and local governmental entities<sup>105</sup>. The policy articulates the Kingdom of Lesotho's model for decentralized governance and service delivery, the establishment of local government administrative structures that have autonomy and executive authority, the development and implementation of a strategic framework for participatory and integrated development planning, prudent public financial management, and a framework for exercising local autonomy and intergovernmental relations. However, this policy is yet to be fully implemented.

In 2020, the Prime Minister created four Ministerial committees under which all ministries work together to achieve greater coordination in public service delivery under the NSDP II. The four committees are (i) investment, (ii) human capital, (iii) infrastructure and (iv) governance. By coordinating ministries together under different themes, it should allow ministries to work under their comparative advantage and avoid duplication. Although the ministerial committees are new and so are unable to demonstrate significant outcomes at present, they should also increase transparency amongst ministries.

Lesotho ranks at 40% under Transparency International's 2019 Corruption Perception Index, or 85 of 180 countries<sup>106</sup>. Further, Basotho increasingly believe that the leaders of Lesotho, in particular the former Prime Minister, are corrupt (*figure 53*).

Corruption has been extensively documented in the water and energy sector in connection with the Lesotho Highlands Water Project. During the commemoration of the 2019 International Anti-corruption Day, the Prime Minister expressed Lesotho's commitment to fight corruption by ensuring that the

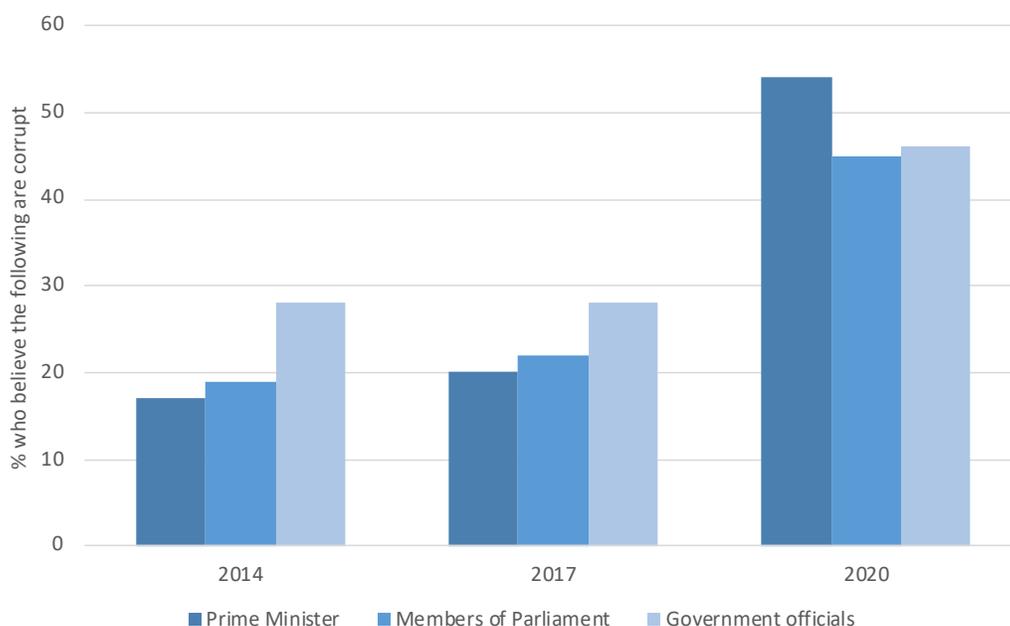
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105 Government of Lesotho, 2014, National Decentralization Policy

106 Transparency International, 2019, Corruption Perception Index (CPI)

Directorate on Corruption and Economic Offences (DCEO) is empowered with human resources and other essential equipment that will enable it to perform its mandate effectively.

**Figure 53: Perceptions of corruption**



Source: AfroBarometer 2020

The Prevention of Corruption and Economic Offences Act No. 5 (1999) defines penalties for a range of corrupt activities including bribery and conflict of interest and procedures and norms for protecting informants. It also establishes an anti-corruption agency, the Directorate on Corruption and Economic Offences (DCEO). An amendment to the Act was adopted by parliament in 2006 to improve the effectiveness of the DCEO. The amendment broadens the scope of the investigative powers of the DCEO by including private bodies and requiring asset disclosure by public officials and a code of conduct regarding the acceptance of gifts. Lesotho also ratified the United Nations Convention against Corruption in September 2005.

However, the DCEO lacks sufficient resources to ensure it engages across sectors to create wider awareness on its role and mandate and to enable it to coordinate across ministries and agencies to establish effective systems for prevention and deterrence. The DCEO is currently updating the National Anti-Corruption Policy and Actions Plan as well as revising its Act to enable it to directly prosecute cases and circumvent political persuasion with the Department of Public Prosecution.

In addition to the DCEO, the Attorney General, the Director of Public Prosecutions, the Lesotho Mounted Police Service (LMPS) and the Financial Intelligence Unit (FIU) of the Central Bank also have a mandate to prevent corruption.

### Impact of COVID-19

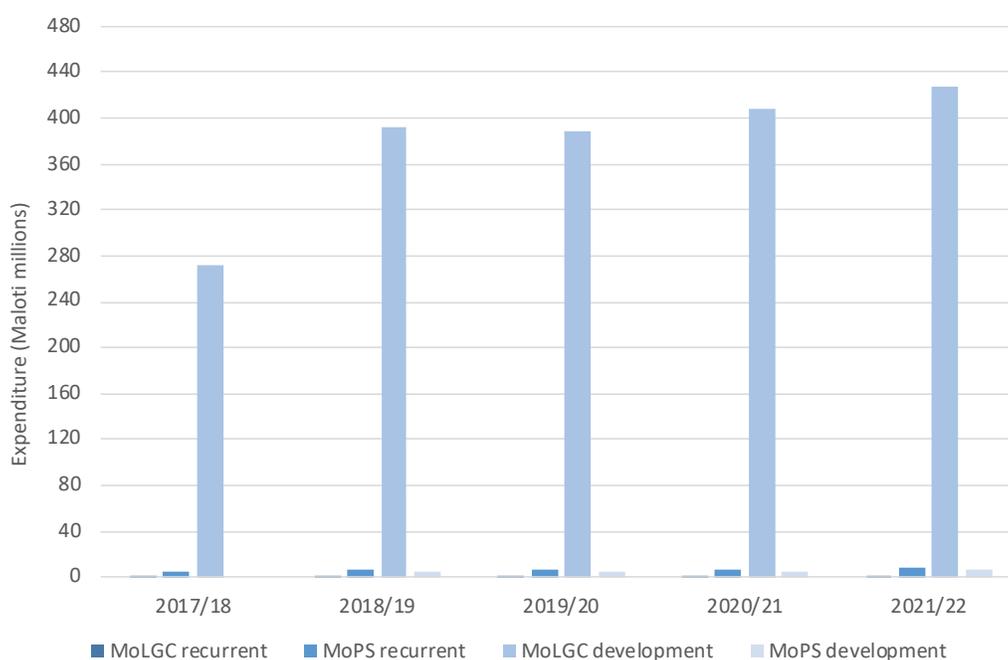
The Government estimates that it will need US\$ 70 million to support the economic recovery from COVID-19. Government relief would be used to provide economic and social relief to the Basotho, provide finance for businesses and support businesses' access to finance, stimulate private sector investment and maintain financial stability; and would be disbursed by expanding social protection schemes, offering tax

relief to businesses, offering support to the agricultural sector, alongside improving access to finance to micro, small and medium-sized enterprises (MSMEs, largely through credit guarantee schemes). However, the Government’s recovery plan has been delayed due to lack of financing and delays in drafting the final recovery plan<sup>107</sup>.

### SDG Financing Landscape

In 2019/20 planned expenditure by the Ministry of Local Government and Chieftainship and the Ministry of Public Service amounted to Maloti 402 million (US\$ 26 million), largely in line with the Maloti 405 million (US\$ 26 million) in 2018/19. The majority of the expenditure was development expenditure by the Ministry of Local Government and Chieftainship (*figure 54*).

**Figure 54: Expenditure by Ministry of Local Government and Chieftainship and Ministry of Public Service**



Source: 2019/20 Budget Book

### Multidimensional Risks

Low technical and administrative capacity and low leadership and management skills hinder service delivery in Lesotho, which in turn stalls economic growth (see [ECONOMIC GROWTH](#)) and prevents private sector development (see [PRIVATE SECTOR](#)).

Local government structures also lack financial and human resources to implement policies and programmes. Current government capital funding to councils is inadequate, unpredictable and not formula based.

The Prime Minister has highlighted a shortage of funds for the DCEO and an impediment to slowing corruption. Parliament is in the process of reviewing the legislation to ensure that the DCEO is empowered to operate in line with UNCAC and other international standards.

107 United Nations in Lesotho, 2020, COVID-19 Socio-Economic Response Plan

## HUMAN RIGHTS

### Progress Towards 2030 Agenda and the SDGs

The Government of Lesotho has ratified all nine core international human rights treaties of the United Nations and four optional protocols. The ratified core human rights treaties are: the International Convention on the Elimination of All Forms of Racial Discrimination, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the Convention on the Elimination of All Forms of Discrimination against Women, the International Covenant on Economic, Social and Cultural Rights, the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, the Convention on the Rights of the Child, the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families, the International Convention for the Protection of all Persons from Enforced Disappearance and the Convention on the Rights of Persons with Disabilities. The ratified optional human rights treaties are: the Optional Protocol to the International Covenant on Civil and Political Rights, the Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women, the Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict and the Optional Protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography.

The Kingdom of Lesotho was most recently reviewed by the Committee on the Rights of the Child (2018), the Committee on the Protection of the Rights of All Migrant Workers and Members of Their Families (2016) and the Committee on the Elimination of Discrimination against Women (2011).

However, there are five optional protocols that have not been ratified by the Government of Lesotho: the Second Optional Protocol to the International Covenant on Civil and Political Rights, the Optional Protocol to the International Covenant on Economic, Social and Cultural Rights, the Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, the Optional Protocol to the Convention on the Rights of the Child and the Optional Protocol to the Convention on the Rights of Persons with Disabilities.<sup>108</sup>

At the regional level, the Government of Lesotho has ratified six key African Union human rights treaties: the African Charter on Human and Peoples' Rights (African Charter), the Protocol to the African Charter on Human and Peoples' Rights on the Establishment of an African Court on Human and Peoples' Rights, the Protocol of the Court of Justice of the African Union, the Protocol to the African Charter on the Rights of Women in Africa, the Protocol to the African Charter on the Rights of Older Persons in Africa and the African Charter on the Rights and Welfare of the Child. However, there are three core African Union treaties that have not been ratified by the Government of Lesotho: the Protocol on the Statute of the African Court of Justice and Human Rights, the Protocol on Amendments to the Protocol on the Statute of the African Court of Justice and Human Rights and the Protocol to the African Charter on the Rights of Persons with Disabilities in Africa.

Lesotho was reviewed in the 35th session of the third cycle of the Universal Periodic Review (UPR) on the 22nd January 2020. The country received 74 recommendations that focused on cooperation with international human rights mechanisms and bodies, the establishment of a national human rights

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108 <https://indicators.ohchr.org/>

framework, administration of justice, right to life, liberty and security of person and right to participation in public and political life.<sup>109</sup> More specific recommendations included strengthening the right to work and to just and favourable conditions of work and strengthening the rights of women, children and persons with disabilities.

In order to strengthen the Kingdom of Lesotho's commitments to human rights treaties, an Inter-Sectoral Committee on Human Rights was established in 2008. However, the committee fell apart due to high levels of public sector attrition and has not yet been re-established. Further, there is no National Human Rights Commission.

### Leaving No One Behind, Human Rights, Gender Equality and Women's Empowerment, Environmental Stewardship

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Children in rural areas and from low-income families suffer reduced access to fundamental services, such as birth registration (see [POVERTY](#)). The Government of Lesotho has increased access to birth certificates, through mobile registration and community council facilities, however penalties for late registration discriminate against urban and low-income households, where access is lower.

Migrant workers are also at risk of unfair treatment (see [MIGRATION](#)). The Government of Lesotho has introduced measures that guarantee consular services for migrant workers and their families, however, migrant workers awaiting expulsion are frequently subjected to detention by the Police and Correctional Service.

Children with disabilities are also at risk of being excluded. The Policy on Disability was adopted in 2016, but there is no strategy for the inclusion of children with disabilities.

Sexual orientation and gender identity are not recognised as grounds for non-discrimination in the Constitution and the Lesotho criminalises sodomy. There is no legislative framework for the protection of the LGBTIQ+ community, which can result in discrimination, including targeted assaults by the police, non-recognition of LGBTIQ+ marriages, prohibition to adopt children and denial of access to healthcare services.

### Multidimensional Risks

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The Government of Lesotho has eight overdue reports due to human rights treaties and the Universal Periodic Review (UPR).

The lack of a functional National Human Rights Commission erodes the capacity of the Government to meet and monitor its commitments to human rights treaties. A National Human Rights Commission Act was approved in 2016, but the Act did not adhere to the Paris Principles, and subsequently the Act was brought for review. However, recommendations from the review of the National Human Rights Commission Act have not yet been approved by Parliament and the National Human Rights Commission has not yet been established.

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109 <https://uhri.ohchr.org/en/search-human-rights-recommendations>

There is no comprehensive legal framework relating to torture or ill treatment. As a result, police officers have used torture to interrogate individuals, without fear of punishment for officers or options for redress for victims.<sup>110</sup>

## HUMANITARIAN-DEVELOPMENT-PEACE NEXUS

### Progress Towards 2030 Agenda and the SDGs

As part of the humanitarian-development-peace nexus, development work in Lesotho has been affected by climate related emergencies (see [CLIMATE CHANGE](#)). Climate related emergencies erode peoples' resilience by weakening their livelihoods, but also deflect the implementation of the United Nations Development Assistance Framework (UNDAF) by forcing a shift in focus from development to humanitarian interventions.

The Kingdom of Lesotho is also at risk of conflict, which affects development work. The risk of conflict stems largely from political instability, public dissatisfaction and inequality. The 2018 national dialogue and reforms process highlighted a number of contributors to conflict: the exploitation of social differences for political gain (see [POLITICAL STABILITY](#)); ineffective public institutions (see [PUBLIC SERVICE DELIVERY](#)); disenfranchisement (perceived or real); socioeconomic marginalization (see [POVERTY](#)); porous borders; corruption (see [GOVERNANCE](#)); limited access to justice; limited employment opportunities; and inequitable distribution of scarce environmental resources (see [NATURAL RESOURCES](#)). The aforementioned contributors to conflict tend to be particularly sensitive during election years, with the next election scheduled for 2022.

In the recent past, Lesotho has experienced protests and “stay homes” by teachers, students, police force members, wool and mohair farmers and the youth due to deteriorating economic opportunities (see [ECONOMIC GROWTH](#)). Teachers and the police have demanded salary increases and/or the payment of arrears. Youth have protested against a lack of job opportunities, state abandonment and for the timely payments of student stipends.

Further, violence exists between pastoralists and is triggered by livestock raids or demand for water and natural resources (see [NATURAL RESOURCES](#)). A few areas in Lesotho are vulnerable to inter and intra communal conflicts and revenge killings.

Music, associated with gangs of migrant mineworkers, also present a source of conflict in Lesotho. Famo is a traditionally Basotho music, played on the accordion, and originating from stories told by migrant workers travelling to South Africa to work in the mines. However, more recently Famo music has created gangs and a violent gang culture, including violent gang initiations, killings and revenge killings. There is also a belief that the gangs have penetrated law enforcement institutions, are closely linked with some government officials and affect political decision making<sup>111</sup>.

The Government's response to conflict tends to have a heavy security focus, which frequently erodes public trust and may not always adhere to fundamental human rights. Further, overlapping mandates for the DCEO and Police Complaints Authority (PCA) limits the peaceful resolution of conflicts (see [GOVERNANCE](#)).

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110 United Nations General Assembly, Human Rights Council, Summary of Stakeholders' submissions on Lesotho, Report of the Office of the United Nations High Commissioner for Human Rights, A/HRC/WG.6/35/LSO/3, 5 November 2019

111 The African Crime and Conflict Journal, 2017, Accordion Killers: Hundreds of Murders in Lesotho Over Music Rivalry

## Impact of COVID-19

COVID-19 is ultimately a humanitarian emergency. The pandemic is expected to increase the poverty rate by 1.2 to 1.9% in 2020 (see [POVERTY](#)) and will require a massive increase in social protection and humanitarian assistance (see [SOCIAL PROTECTION](#)). As highlighted above, the COVID-19 pandemic has already caused a significant shift in both Government and donor priorities from development to humanitarian interventions. The United Nations in Lesotho estimate that US\$ 9 million has already been repurposed from the UNDAF to the United Nation’s COVID-19 response<sup>112</sup>.

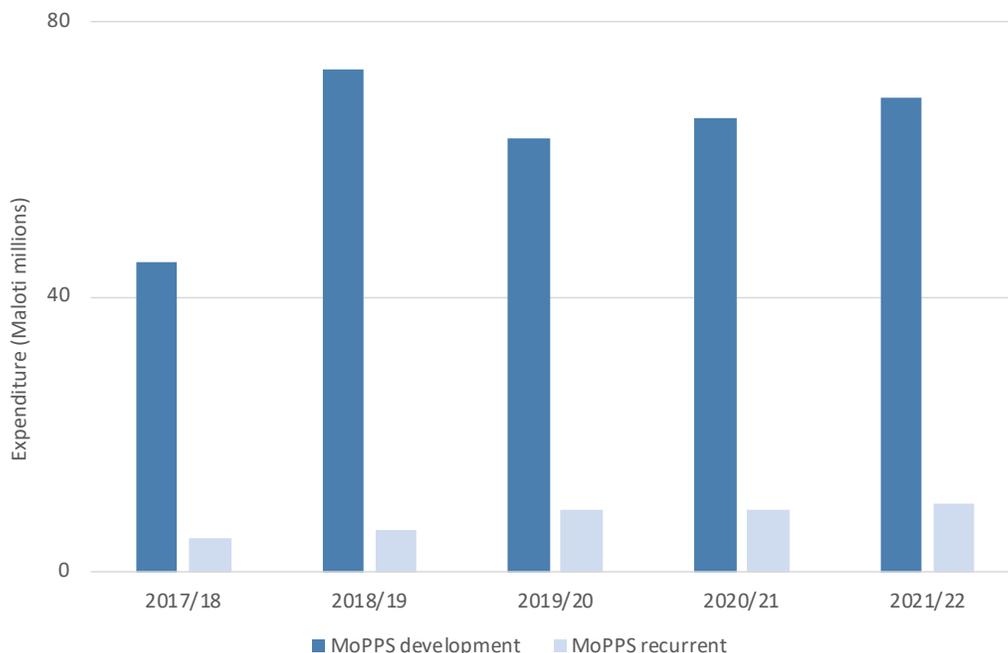
COVID-19 has increased the prevalence of poverty and vulnerability in Lesotho (see [POVERTY](#) and [NUTRITION AND FOOD SECURITY](#)), thereby straining social cohesion and community resilience. As a result, violence, crime and insecurity is expected to increase.

## SDG Financing Landscape

The humanitarian, development and peace-building nexus is a relatively new niche sector. Whereas the financial landscape has previously been focused on the traditional humanitarian and development sector (economic transformation, social inclusion, environment, governance); there is an emerging trend to specifically look at the intersection of these with peace-building.

Nonetheless, in 2019/20 planned expenditure by the Ministry of Police and Public Safety amounted to Maloti 72 million (US\$ 5 million), down from Maloti 79 million (US\$ 5 million) in 2018/19. No donor financing passed through the Ministry of Police and Public Safety (*figure 55*).

**Figure 55: Expenditure by Ministry of Police and Public Safety**



Source: 2019/20 Budget Book

The United Nations Department of Political and Peacebuilding Affairs (UN DPPA) and the Joint UNDP-DPPA Programme on Building National Capacities for Conflict Prevention have provided US\$ 252,000 to

112 United Nations in Lesotho, 2020, COVID-19 Socio-Economic Response Plan

support conflict analysis and engagement on conflict prevention, party democracy and consensus building.

In addition, the UN Peacebuilding Fund has provided US\$ 2 million between 2018 and 2020, and an additional US\$ 1.5 million is anticipated looking forward. Similarly, the EU has provided US\$400,000 between 2018 and 2020 and is anticipated to provide an additional US\$ 2.5 million looking forward.

Local and International CSOs have also received small financial grants to undertake targeted community level interventions.

### Leaving No One Behind, Human Rights, Gender Equality and Women's Empowerment, Environmental Stewardship

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Marginalised groups such as women, youth, and people with disability have not been fully included in conflict management and peacebuilding processes.

Women are disproportionately affected by conflict and insecurity (see [GENDER](#)). The 2019/20 Women Peace and Security Index<sup>113</sup> ranked Lesotho 125 out of 167 countries in terms of women's inclusion, justice and security, compared to 127 out of 153 countries in 2017/18.

### Multidimensional Risks

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There is no comprehensive national policy response for effective management of conflict and innovative peacebuilding measures such as context specific national peace architecture. Further, political instability will slow the establishment of a comprehensive national policy response (see [POLITICAL INSTABILITY](#)).

Climate change (see [CLIMATE CHANGE](#)), and the associated deterioration in productive arable land and increased competition for water (see [NATURAL RESOURCES](#)), has heightened tensions between rural communities.

Some communities have experienced relocation by the Government, as wealthy individuals assume what was previously communal land. Relocation can exacerbate poverty and vulnerability and therefore increase the likelihood of conflict (see [POVERTY](#)).

Unemployment also exacerbates underlying tensions and increases the risk of conflict, particularly amongst the youth (see [EMPLOYMENT](#)).

Beliefs that Famo gangs have penetrated law enforcement institutions and affect political decision making threatens to undermine governance and public trust (see [GOVERNANCE](#))<sup>114</sup>.

## CHALLENGES

The Government of Lesotho will experience considerable pressure on the fiscal deficit and the balance between supporting the economic recovery and the need for fiscal consolidation.

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Economic growth is expected to contract by 4.8% in 2020 (see [ECONOMIC GROWTH](#)). The economic contraction (and related reduction in tax revenue), suspension of foreign direct investment (as many planned infrastructure projects are put on hold), capital outflows and fall in remittances is likely to exert considerable pressure on government revenue.

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113 Georgetown Institute for Women, 2020, Peace and Security, 2019/20 Women Peace and Security Index

114 The African Crime and Conflict Journal, 2017, Accordion Killers: Hundreds of Murders in Lesotho Over Music Rivalry

At the same time, the COVID-19 pandemic will necessitate a significant increase in government expenditure to support the health response and the socio-economic recovery. The Central Bank of Lesotho anticipate that government expenditure will have to increase by 25% in 2020 to adequately respond to the COVID-19 pandemic<sup>115</sup>.

The combination of falling revenue and rising expenditure will exert pressure on the fiscal deficit, which is expected to fall from minus 1.3% of GDP in 2019 to minus 7.2% of GDP in 2020. The fiscal deficit is not expected to recover over the medium-term, instead the Central Bank anticipates that it will deteriorate to 8.4% of GDP in 2021 and 9.0% of GDP in 2022<sup>116</sup>.

Public debt is expected to remain sustainable, perhaps due to limited access to further resources. Nonetheless, the Government will have to avoid increasing debt accumulation to unsustainable levels. At the same time, a sharp contraction towards austerity should be avoided as it risks choking the economic recovery and increasing individual's vulnerability.

#### The private sector is vastly underdeveloped, lacks diversity and is characterised by MSMEs and informal businesses.

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The private sector is highly informal and there are many MSMEs; there is a distinct lack of industrial development and value addition (see [PRIVATE SECTOR](#)).

Informal businesses and MSMEs are typically less efficient and are less able to access formal financial services and government support services. Inadequate and low-quality infrastructure also hinders competitiveness, whilst weak human capital and skill gaps affect service delivery and firm competitiveness.

There is insufficient government support for the private sector and MSMEs. Government expenditure by the Ministry of Trade and Industry and the Ministry of Small Business Development combined amounted to just Maloti 131 million (US\$ 8 million) in 2019/20.

Further, the proposed Business Licensing and Registration Regulations (2020) threaten to limit foreign ownership of companies, which in turn will reduce foreign direct investment and discourage innovation and economic growth.

#### Low human capital limits economic productivity and diverts financial resources away from development.

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The Kingdom of Lesotho demonstrates poor health and education outcomes, which limits the capacity of the population to contribute to sustainable and productive economic development and diverts resources from development to humanitarian responses.

Lesotho has the second highest rate of HIV prevalence in the world (see [HEALTH](#)): 23% of the adult population are estimated to be living with HIV<sup>117</sup>. HIV referral and treatment has improved considerably, such that 93% of people living with HIV are virally suppressed<sup>118</sup> and HIV no longer limits individual's productive capacity; however, high HIV prevalence has nonetheless diverted financial resources towards the health response and away from development expenditure.

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115 Central Bank of Lesotho, 2020, Lesotho Economic Outlook – June 2020

116 Central Bank of Lesotho, 2020, Lesotho Economic Outlook – June 2020

117 World Bank, 2020, Health Nutrition and Population Statistics

118 Lesotho Population-Based HIV Impact Assessment (LePHIA) Preliminary Results, Ministry of Health, Lesotho, 2020

High levels of food insecurity has led to stunting amongst children and anaemia amongst women (see [NUTRITION AND FOOD SECURITY](#)), which has a long-term impact on women and children's potential economic productivity.

Similarly, education outcomes are poor (see [EDUCATION](#)) and children are typically not educated in skills relevant for the workplace (see [PRIVATE SECTOR](#)). Only 45% of children aged 7-14 demonstrate foundational reading skills in English or Sesotho, and only 15% demonstrate foundational numeracy skills. School closures due to COVID-19 and teachers' strikes has limited access to education and threatens to reverse gains made in education.

The Government of Lesotho, and donors, invest considerable resources in the health, education and social protection sectors in an attempt to increase human capital. However, the high investments have not translated into significantly improved outcomes and has prevented larger investments in economic transformation.

#### [Women, youth, persons with disabilities and the rural population are at risk of being left behind.](#)

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Women are at risk of gender-based violence and discriminate cultural norms, they are also under-represented at senior-levels in politics and the private sector.

Young people and children have experienced long periods of limited access to education and poor-quality education. In addition, when they graduate there are limited job opportunities and high levels of youth unemployment, rendering them vulnerable to negative coping mechanisms and further exclusion.

Persons with disabilities also face limited employment opportunities and are typically not included in decision making processes, the private sector and politics.

Finally, the rural population is typically lower income and dependent on rain fed agriculture, rendering them highly susceptible to food and income insecurity as a result of drought. They also face longer distances to access basic services, such as health and education, and are less connected to adequate infrastructure.

#### [Persistently high youth unemployment threatens Lesotho's development trajectory and risks contributing towards a brain drain.](#)

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Lesotho's unemployment rate declined from 27% in 2010 to 23% in 2019. However, youth unemployment stands at 34%<sup>119</sup> (see [EMPLOYMENT](#)). A general mismatch between skills and labour market demands, weak infrastructure and a limited investment environment have adversely affected employment opportunities, which in turn threatens the realisation of poverty alleviation (SDG1) and decent work for all (SDG8).

Lesotho is amongst the top 10 countries globally experiencing brain drain: Lesotho's emigration stood at over 30% of the skilled labour force in 2019, compared to a global average of just 5%<sup>120</sup>. The limited availability of skilled labour, due to high emigration, reduces Lesotho's economic productivity and reduces foreign direct investment.

Unemployment is expected to rise in 2020 as large employment-generation sectors (in particular mining and textiles) suffer considerable contractions. Further, many Basotho migrants are also likely to have lost

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119 World Bank, 2020, Sustainable Development Goals

120 United Nations Department of Economic and Social Affairs, 2020, Population Division

their jobs during the pandemic and will be forced to return home, increasing the overall number of unemployed and vulnerable individuals in Lesotho.

[Declining agricultural productivity, in part due to climate change, threatens to exacerbate household's vulnerability and food insecurity, particularly in rural Lesotho.](#)

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85% of the population of Lesotho live in rural areas and 70% derive all or part of their livelihood from agriculture (see [AGRICULTURE](#)). The majority of smallholder farmers in rural areas rely on rain-fed subsistence farming and are therefore exposed to chronic food insecurity and malnutrition (see [NUTRITION AND FOOD SECURITY](#)).

Further, the dependence on rainwater and successive droughts, soil erosion and land degradation under climate change has caused agricultural productivity to steadily deteriorate since 1990. Recurrent droughts, dry spells, floods and early frost are becoming increasingly common and lead to crop failures, low rural incomes and rising food prices (see [ECONOMIC GROWTH](#)), with serious consequences for access to nutritious food for the already vulnerable.

[There is a lack of comprehensive statistics to guide informed policy making.](#)

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A lack of decent employment opportunities has contributed towards a brain drain amongst the most promising members of society, whilst a lack of quality education erodes the productive capacity of the remaining labour force (see [EMPLOYMENT](#)).

As a result, there is a lack of statisticians or individuals able to collect accurate and comprehensive statistics regarding Lesotho's situation. The African Development Bank (AfDB) estimate that Lesotho policymakers have only 51% of the necessary statistics that might guide policymaking<sup>121</sup>. Consequently, national planning frequently suffers setbacks due to a lack of information and monitoring and evaluation, that would evaluate the success of projects and guide future projects, is almost absent. Further, the resultant opacity in government operations and budgets has caused a slowdown in development assistance, affecting real development outcomes in Lesotho (see [GOVERNANCE](#)).

The Bureau of Statistics sits under the Ministry of Development Planning and suffers difficulties in accessing micro-level data (see [GOVERNANCE](#)). At present there is limited disaggregation of their data, and institutions use different definitions for people with disabilities, making information on people with disabilities difficult to aggregate.

[Successive changes of Government have created policy inconsistency and exacerbated a lack of coordination between various Government Ministries.](#)

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The Kingdom of Lesotho has a long history of political instability and security concerns. Political parties regularly splinter and consequently governments rarely complete five-year terms. Lesotho held three elections between 2012 and 2017 as unstable coalition governments repeatedly splintered<sup>122</sup>, and whilst there was no election, the most recent government collapse occurred in May 2020.

Continuous changes in the composition of coalition governments has created a position where policy consistency within government is fading.

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121 African Development Bank, 2020, African Economic Outlook

122 Government of Lesotho, 2019, The Kingdom of Lesotho Voluntary National Review on the Implementation of The Agenda 2030 Report

Politization of the civil service, especially at management level, has had a negative impact on public sector delivery and coordination. Further, a lack of performance management throughout the public sector erodes employees' incentives to work productively, including coordinating with other Government Ministries.

#### The population of Lesotho's trust in Government is weak.

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Long-standing grievances, rooted in economic marginalisation, social exclusion and poor governance, have resulted in mistrust in national values and institutions.

Basotho feel that they do not benefit from Lesotho's natural resource endowment (see [NATURAL RESOURCES](#)) and increasingly believe that the leaders of Lesotho, in particular the former Prime Minister, are corrupt (see [PUBLIC SERVICE DELIVERY](#)).

Further, in early 2020, 57% of Basotho were not satisfied with how democracy operates in Lesotho and 66% of Basotho would support the abolishment of elections and parliament in favour of the monarchy. The King was reported to be trusted by about five times as many citizens as the (former) prime minister (see [HUMANITARIAN-DEVELOPMENT-PEACE NEXUS](#)). Whilst the statistics capture poor perceptions of the previous administration, perpetually weak administrations and frequent changes of Government may prevent citizens from being optimistic for the new administration.

Delays and inefficiencies in access to justice sometimes leads to mob violence and the exclusion of some to access the highly centralised justice system, which in turn fuels public perception that the law protects the more privileged and affluent of society.

Finally, there is a risk that the temporary reduction in civic engagement and participation due to COVID-19, if not reversed when possible, may heighten beliefs that the Government does not represent the population.

#### The COVID-19 global economic contraction will increase household's vulnerability and the risk of insecurity.

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COVID-19 has contributed to a significant increase in the vulnerable population in Lesotho, including a changing composition of the vulnerable population. Poverty is expected to increase by between 1.2% to 1.9% in 2020 (see [POVERTY](#)).

Young people are at greater risk of unemployment (see [EMPLOYMENT](#)), returning labour migrants are at risk of social exclusion (see [MIGRATION](#)) and young people and women are at greater risk of violence due to increased household stress. Food insecurity has also increased as household incomes and remittances fall (see [NUTRITION AND FOOD SECURITY](#)).

All of the above erode social cohesion and increase the risk of instability as individuals resort to crime for their livelihoods (see [HUMANITARIAN-DEVELOPMENT-PEACE NEXUS](#)).

## OPPORTUNITIES

A combination of slow population growth and a falling dependency ratio provides an opportunity for the majority of the population to contribute towards Lesotho's economy without an extreme increase in job creation.

A growing working-age population has decreased Lesotho's dependency ratio, which offers an opportunity to fast track growth and development dividends. Further, slow population growth means that Lesotho does not face a massive influx of workers into the labour force and although unemployment remains a challenge, the Government of Lesotho will not need to stimulate the extreme levels of economic growth and job creation required in many other Sub-Saharan African countries to successfully alleviate poverty (see [EMPLOYMENT](#)).

Government improvements to the business environment and the African Continental Free Trade Area may drive private sector development.

Government support for the private sector has improved, albeit marginally. Indicators such as trading across borders, getting credit and starting a business have strengthened under the Government of Lesotho's policies to expand trade and diversify the economy (see [PRIVATE SECTOR](#)). Large government-promoted projects, such as the Lesotho Highlands Water Project (LHWP), already contribute towards private sector growth.

Finally, the African Continental Free Trade Area (AfCFTA), if taken advantage of under further reforms to the business environment, offers a wider market for Lesotho's exports, new industrial jobs and ultimately greater economic growth.

Commitment by the Government of Lesotho to promote gender equality can contribute significantly to poverty reduction and economic growth.

Legally women's rights are relatively strong in Lesotho (see [GENDER](#)). In 2017, the Government of Lesotho approved the Gender and Development Policy (2017), which complemented the Inheritance Act, the Land Act 2010 and the Legal Capacity of Married Persons Act (1996).

However, in reality, women do not face equality with men. Female participation in the labour market is 60%, compared to 75% for men; women are on average 22 years old when they marry, men are 28 years old; only 36% of firms have female senior management and only 23% of parliamentary seats are held by women<sup>123</sup>. The adolescent fertility rate (the number of births per 1,000 women aged 15-19) has been creeping up since 2010<sup>124</sup> and gender-based violence (GBV) in Lesotho is prevalent.

National legislation exists to eliminate gender-based violence and child marriage and protect individual rights, however it is not well understood or adopted by community leaders, women and girls and thus is not practiced customarily<sup>125</sup>. If communities can embrace women's empowerment and gender equality, then it promises significant economic and development dividends.

123 World Bank, 2020, Gender Statistics

124 World Bank, 2020, Gender Statistics

125 UNDP, 2016, Report on Legal Environment Assessment for HIV and AIDS in Lesotho

### Investment in education could support the COVID-19 economic recovery and increase long-term productivity.

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Education is a victim of the COVID-19 pandemic, but it can also be a key driver of the recovery. By protecting the education sector and access to education, the economy will benefit from greater productivity of its eventual labour force and poverty alleviation (see [EDUCATION](#)).

Public resources should be targeted to prioritise pre-primary and secondary education and support the most marginalized across the system. The Government of Lesotho should embrace cash transfer programs and other targeted efforts to reduce barriers to re-entry to education. All actors should work together to harness innovative financing and alternative financing options where possible in TVET and post-secondary education to enable public funds to be more focused on foundational learning.

COVID-19 offers an opportunity to re-imagine education and build a modern education system that harnesses technology and innovation to deliver better learning opportunities by bridging digital divides. In Lesotho, there is the potential to strengthen digital learning through public private partnerships.

### Increased coordination between Government ministries with respect to social protection will allow for the creation of a comprehensive and responsive social protection programme.

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The existing social assistance system provides a key opportunity for enhanced coordination to deliver social protection programmes including COVID-19 cash transfers, by adopting the National Information System for Social Assistance (NISSA), that is in the process of expanding its range and functionality (see [SOCIAL PROTECTION](#)). NISSA is currently expanding to incorporate both urban and rural areas and to function as a comprehensive social registry. The system currently hosts data for 331,000 households across all rural areas and is being rolled out to reach 216,000 households in urban areas, ultimately reaching close to 100% of the population of Lesotho. NISSA further enables coordination between the Ministry of Social Development and the Disaster Management Authority to allow a fast response to shocks.

Besides the Ministry of Social Development and the Disaster Management Authority, development partners have also recently been able to use NISSA in implementing cash transfers in reaction to COVID-19, thereby improving coordination between the Government of Lesotho and development partners.

### The Government of Lesotho has access to global pools of finance to combat the effects of climate change.

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Lesotho also has access to multi-lateral financing mechanisms for environment and climate change related programming, including the Global Environment Facility (GEF) and the Green Climate Fund (GCF). A few GEF funded project projects have been designed and implemented in the agriculture and natural resources sector and a few GCF readiness support projects have been designed and implemented, but no mega project proposals have been developed for funding (see [CLIMATE CHANGE](#)).

The Kingdom of Lesotho should take greater advantage of its access to the Adaptation Fund (AF) Global Environment Facility (GEF) and the Green Climate Fund (GCF) to mobilise additional resources for climate change mitigation and adaptation projects. The recently launched US\$ 10 million IACOV project, executed by the Ministry of Energy and Meteorology (MEM) and the Ministry of Forestry, Range and Soil Conservation (MFRSC), provides an enormous opportunity for Lesotho to improve its climate change

resilience and adaptation at both a community and national level; further projects in the same vein would only improve Lesotho's climate change resilience.

Donor funds for climate change mitigation and adaptation projects also provide a good platform for leveraging public and private sector funding for environment and climate change programming. New project designs should focus on using available resources as catalysts for bigger investment programmes.

[The Kingdom of Lesotho has the potential to generate revenue from its natural resources and the Government is increasingly committed to protecting their sustainability.](#)

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Lesotho generates sizeable revenue through royalties generated from the transfer of water from the Lesotho Highlands to the industrial hub (Gauteng) of South Africa under the Lesotho Highlands Water Scheme. However, the sustainability of the Lesotho Highlands Water Scheme is dependent upon Lesotho's ability to protect its water sources and the surrounding mountain ecosystem.

The Government of Lesotho has shifted focus to prioritise environmental protection as part of the ongoing project maintenance. Similarly, the European Commission has announced a programme to support sustainable management of land and water resources in Lesotho to combat land degradation and the depletion of water catchments.

Strong ecosystems are more resilient to the impacts of climate change and in turn support the livelihoods of those who rely on the land. By promoting a whole of ecosystem approach, the Government of Lesotho has demonstrated commitment towards environmental sustainability and protection of the Kingdom's natural resources (see [NATURAL RESOURCES](#)).

[The Government of Lesotho has demonstrated commitment to increase coordination, thereby enhancing public sector efficiency and delivery.](#)

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The Prime Minister has created four Ministerial committees under which all ministries work together to achieve greater coordination in public service delivery under the NSDP II (see [PUBLIC SERVICE DELIVERY](#)). The four committees are (i) investment, (ii) human capital, (iii) infrastructure and (iv) governance. By coordinating ministries together under different themes, it should allow ministries to work under their comparative advantage and avoid duplication. Further, it should increase transparency amongst ministries.

In addition, the rejuvenation of the joint bilateral commission of cooperation (JBCC) between the Kingdom of Lesotho and the Republic of South Africa promises to foster enhanced cooperation in trade, education, employment, gender, economy, infrastructure, security and social and humanitarian affairs (see [GOVERNANCE](#)).

[The Government of Lesotho has committed to political reform to guarantee stability.](#)

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Under the SADC intervention, the Government of Lesotho (GoL) embarked on a transparent, all-inclusive, broad-based national reforms process (see [GOVERNANCE](#)). Identified reforms were publicly validated and internationally endorsed at the National Multi-Stakeholder National Dialogue Plenary II on 26th November 2019. The public validation was followed by 500 in-district and diaspora consultations, 7 National Leaders Forums and the enactment of the National Reforms Authority (NRA) Act, 2019. The 2019 NRA Act established the National Reforms Authority as the legally mandated institution to oversee implementation of the agreed reforms within eighteen months. The authority is insulated, safeguarded,

and guaranteed by law to carry on the reforms process in a transparent and independent manner without any interference by the Government or any stakeholder.

The successful implementation of the reforms process will support political stability and start to repair public trust in the Government (see [POLITICAL STABILITY](#)). In turn, political stability will strengthen policy consistency and public service delivery (see [PUBLIC SERVICE DELIVERY](#)).

## RECOMMENDATIONS

### ECONOMIC TRANSFORMATION

#### Economic growth

Looking forward the Government of Lesotho will face a difficult task in supporting the COVID-19 economic recovery amidst lesser resources to do so. A sharp contraction towards austerity should be avoided as it risks choking the economic recovery and increasing individual's vulnerability. Yet, at the same time, the Government will have to rein in spending to ensure debt sustainability and access to resources.

The government has committed to implement economic reforms in the short to long term to avert the expansionary path of fiscal policy and should continue to do so. These include expenditure controls, enforcing the collection of student loans, reviewing the education loan model to ensure efficiency and sustainability; reviewing foreign policy with a view to rationalising foreign missions, reviewing the Public Service Employment and Performance Management Policy and publishing the awarded COVID-19 related procurement contracts to ensure transparency.

The Ministry of Finance is in the process of adopting a Single Treasury Account, which centralises and consolidates all government revenue and will strengthen the monitoring and cash-flow forecasting of government accounts. Looking forward, the Single Treasury Account should seek to adopt an Integrated Financial Management Information System (IFMIS) to better coordinate public revenue, expenditure and economic planning.

The budget continues to favour recurrent spending over development spending. The Government of Lesotho should seek to readjust the balance in favour of development spending.

Personal remittances could be targeted and directed towards development projects.

The Kingdom of Lesotho should take advantage of the AfCFTA to increase trade between African countries, support economic growth and generate employment.

#### Private sector

Infrastructure development would support the development of the private sector through enabling access to markets and information and reducing cost structures. The Government of Lesotho has committed to significant infrastructure development, including to increase broadband coverage to rural areas, to construct and maintain roads and to increase energy generation (in particular renewable energy generation)<sup>126</sup>; however, many existing projects have been put on hold as funds have been redirected to the COVID-19 response and social distancing requirements disallow construction activity. Nonetheless, infrastructure development should remain a priority to achieve private sector led job creation.

The approval of the Business Licencing and Registration Act and the Security interest in Moveable Property Act are critical for catalysing private investment. However, more concerted efforts are needed to support the entire business cycle, in particular in facilitating construction permits and access to finance. The Consumer Protection Bill is at Parliament and upon approval will also support the private sector.

Enhancing complementarity between MSMEs and large corporates will also support the private sector, in particular MSMEs, who account for the majority of private sector activity<sup>127</sup>.

Financial inclusion and financial literacy should be promoted to encourage innovation and private sector development.

## Agriculture

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The agricultural sector has significant potential for job creation and poverty reduction. However, climate change is eroding the productivity of the agricultural sector. It is critical that the agricultural sector is supported to become more resilient to the effects of climate change. Special attention should be placed on prioritising the most vulnerable groups and ecosystems, with due consideration of gender specific vulnerabilities.

The Government of Lesotho is already focusing on enhancing crop production by providing farmers with subsidised seeds and fertilizers, by rehabilitating irrigation systems and by strengthening agricultural extension services. Similarly, the Government of Lesotho is working to improve the climate resilience of the wool and mohair industries by subsidising feed and expanding local fodder production. Such initiatives will need to continue and be scaled up to improve the climate resilience of the agricultural sector.

At the policy and strategic level, efforts must be made to promote the integration of climate change adaptation and mitigation into policies and strategies relating to the food and agricultural sectors. Similarly, climate change policies must also consider the food and agricultural sectors.

Given the environmental and soil quality challenges, the Government of Lesotho may consider parallel solutions, such as relocating part of its agricultural production to neighbouring countries with more favourable natural conditions. Such an initiative would require political negotiation between states to obtain land concessions. Several successful examples exist: in Cameroon, the Chinese government has obtained land concessions in Nanga-Eboko for Chinese nationals to cultivate rice to export to China; whilst French firm PHP has numerous concessions in Central Africa for the export of bananas and cocoa.

## Employment

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The Government of Lesotho has espoused the construction of Belo factory and Tikoe Phase III through providing supportive infrastructure to the sites. Combined, the two projects are anticipated to create 17,000 jobs upon completion<sup>128</sup>. The agricultural sector also has significant potential to create jobs and alleviate vulnerability (see [AGRICULTURE](#)).

The 2019/20 Youth Apprenticeship Programme has demonstrated early success in alleviating youth unemployment. The programme has so far provided 431 graduates with private sector work experience and 986 graduates with public sector work experience<sup>129</sup>. The programme does support youth unemployment, but employment policies and programmes should also concentrate on the private sector

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127 Parliament of the Kingdom of Lesotho, 2020, 2020/21 Mid Term Budget Review

128 Parliament of the Kingdom of Lesotho, 2020, 2020/21 Mid Term Budget Review

129 Parliament of the Kingdom of Lesotho, 2020, 2020/21 Mid Term Budget Review

and skills development (see [EDUCATION](#)) to combat the skills mismatch currently characterising the labour market.

## SOCIAL INCLUSION

### Poverty

Continued improvements to the provision of public services, including healthcare, education (in particular secondary education, see [EDUCATION](#)), water and sanitation (see [WASH](#)) and social protection programmes (see [SOCIAL PROTECTION](#)) will all contribute towards individuals empowerment and poverty alleviation.

Gains in gender equality would also contribute towards poverty alleviation. Although the Government of Lesotho has legislated many acts related to gender equality, cultural norms continue to hinder their implementation (see [GENDER](#)).

### Gender

The Government of Lesotho has demonstrated commitment towards achieving gender equality. However, implementation has been constrained by damaging cultural norms. To successfully achieve women's empowerment and gender equality, which would in turn provide a strong impetus to economic activity, there will need to be community sensitisation of issues surrounding gender.

Further, gender based violence and harassment needs to be addressed and perpetrators held accountable. This will involve establishing safe reporting channels for victims and protecting and rehabilitating identified victims.

Enacting the Domestic Violence Bill, supporting its immediate implementation and strengthening coordinated essential services packages and referral pathways between the health, social services, police and justice sectors in would help reduce GBV and protect victims.<sup>130</sup>

### Nutrition and food security

In order to end malnutrition, a plethora of other issues must also be addressed, including: poverty, natural and man-made disasters, purchasing power for nutritious food, diversified agricultural productivity, prioritisation of nutrition by government agencies and the commitment and capacity of local government units to deliver nutrition interventions.

To overcome malnutrition in Lesotho, it will require an integrated and multisectoral approach. Nutrition specific interventions are insufficient and unable to permanently reduce food insecurity and malnutrition.

### Education

To comprehensively address equitable and inclusive access to education, the Government of Lesotho will need to also address a range of issues outside of the education sector. Poverty (see [POVERTY](#)), HIV/AIDS (see [HEALTH](#)) and shrinking fiscal space (see [ECONOMIC GROWTH](#)) may affect educational attainment looking forward. COVID-19 will only exacerbate the pressure on the education sector through redirecting government expenditure away from education and increasing poor families' opportunity cost in sending their children to school.

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130 A/HRC/WG.6/35/LSO/2. Para. 19.

Within the education sector, the Government of Lesotho will need to address equity in education expenditure and ensure that financing reaches the most disadvantaged. There is low participation in pre-primary education, despite overwhelming evidence that it improves children's performance at a later stage and increases parents labour force participation. With more investment, the Kingdom of Lesotho could very realistically achieve SDG target 4.2 – by 2030 ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.

Quality of education also needs to be prioritized, particularly early grade literacy and numeracy. The regular professional development of teachers through school level training and coaching, with regular system level follow up and support, would improve the quality of education in Lesotho. Sufficient relevant and quality classroom materials would also support teacher's capacity to deliver.

It is also important to ensure that children receive life skills that will support their employability, empowerment and active citizenship. Alternative education pathways should be considered, in particular for out-of-school adolescent boys.

The completion of secondary education appears to be the critical juncture that contributes towards poverty alleviation<sup>131</sup>. Improving access to education amongst lower income households, in particular the achievement of secondary education, would contribute significantly towards poverty alleviation (see [POVERTY](#)).

In addition to improving the participation of children from poor rural families, other disadvantaged groups must be recognised, including children with disabilities. On this front, it is important that the recently approved Inclusive Education Policy is effectively implemented.

Finally, the impact of recurrent droughts (see [CLIMATE CHANGE](#)) and COVID-19 on the education system has demonstrated the need to develop disaster risk reduction strategies in education and to improve school's resilience.

## WASH

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The country continues to have a high access to basic drinking water services. However, progress has been hindered by recurrent droughts. Further, water supply infrastructure is also ageing and needs rehabilitation.

The high proportion of the population practicing open defecation is a concern, especially in Mokhotlong (50%) and Thaba Seka (45%) districts.

## Migration

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Given the changing nature of migration, it will be necessary to map new migration patterns to ensure informed policy responses and programmes and to better support migrants.

Using whole-of-government and whole-of-society approach, Lesotho should regularly review the progress and challenges on the migration related objectives under Global Compact of Safe, Orderly and Regular Migration (GCM).

The specific needs of migrants should be analysed so that responses are effective. Migrants that have

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131 UNICEF, 2018, Multiple Indicator Cluster Surveys (MICS)

been exposed to violence, abuse and/or GBV should be provided with psychosocial and medical services. Vulnerable returnees and their families should be adopted into existing social protection schemes.

Universal health coverage should be extended to all migrants, regardless of immigration status. Access to health services, including COVID-19 tests, ART and TB treatment is critical both during and beyond the COVID-19 pandemic.

Migrant returnees need to be reintegrated into Basotho society. Both short-term humanitarian support (food, PPE, health and psychosocial services) and medium-term socio-economic support (agricultural production, livelihoods) are necessary to ensure their smooth and sustainable reintegration (see [HUMANITARIAN-DEVELOPMENT-PEACE NEXUS](#)). Further, reintegration also needs to cater to host communities to ensure social cohesion, investments should be directed at lifting the entire community.

Concrete and significant efforts must be demonstrated towards TIP in order to get out of Tier 3 (worst) ranking.

### Refugees and internal displacement

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It will be important to strengthen data management on Refugee Status Determination, to better understand Lesotho's vulnerabilities to human and natural hazards.

Further, support will be needed to effectively implement the objectives of the GCR and GRF: to support host communities, improve refugee self-reliance and to provide resettlement and voluntary repatriation.

### Social protection

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Despite wide coverage of social protection programmes, there are still more people in need. However, an integrated approach should be taken to consider the drivers of vulnerability and to design approaches that provide opportunities, not dependence.

The amount provided under cash transfers (in particular for the CGP) should be adjusted in line with inflation.

There has been a concerted effort to enhance coordination between disaster response and social protection and to enhance the shock-responsiveness of social protection. However, the two sectors still operate largely in parallel. Coordination should be enhanced between disaster risk management and social protection, with clear roles and responsibilities for the Government entities involved. The Government of Lesotho would also benefit from technical assistance to effectively deliver shock-responsive social protection. The World Bank's 2017 diagnostic report<sup>132</sup> recommends the development of a framework to ensure an effective response to shocks with the following components:

- One integrated information system (across multiple government ministries and departments)
- One assessment process
- One response plan
- One targeting process
- One sequenced response with common procedures
- Continuum of financing modalities to support collective measures
- One shared architecture

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132 World Bank, 2017, Building the Role of Social Protection in Disaster Response and Resilience in Lesotho

## ENVIRONMENT AND CLIMATE CHANGE

### Climate change

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If Lesotho were to take advantage of its renewable energy sources and leverage private sector investments to promote the generation of clean energy (see [PRIVATE SECTOR](#)), it would contribute towards the achievement affordable and clean energy (SDG7), decent work and economic growth (SDG8) and climate action (SDG13). At present, the Kingdom of Lesotho is only on target to achieve its goals towards climate action (SDG13)<sup>133</sup>.

The Kingdom of Lesotho should take greater advantage of its access to the Adaptation Fund (AF), Global Environment Facility (GEF) and the Green Climate Fund (GCF) to mobilise additional resources for climate change mitigation and adaptation projects.

Donor funds for climate change mitigation and adaptation projects provide a good platform for leveraging public and private sector funding for environment and climate change programming, which the Government of Lesotho has not fully exploited. New project designs should focus on using available resources as catalysts for bigger investment programmes.

The GCF in particular provides finance for large climate change adaptation and mitigation projects. Whilst the Government of Lesotho has developed and implemented a few readiness support projects under the GCF, no mega project proposals have been developed for funding. Given the complexity of GCF project proposals, there is an opportunity for the United Nations to support the Government of Lesotho to design large project proposals for implementation in Lesotho.

### Natural resources

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Any form of programme or project support to take advantage of Lesotho's natural resource endowment should increasingly focus on a whole of ecosystem approach. Strong ecosystems are more resilient to the impacts of climate change and in turn support the livelihoods of those who rely on the land.

The sustainability of the Lesotho Highlands Water Scheme is dependent upon Lesotho's ability to protect its water sources and the surrounding mountain ecosystem. The Government of Lesotho is already shifting focus to prioritise environmental protection as part of the ongoing project maintenance, whilst the European Commission has announced a programme to support sustainable management of land and water resources in Lesotho to combat land degradation and the depletion of water catchments.

## GOVERNANCE AND INSTITUTIONAL CAPACITY

### Governance

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Long-standing grievances, rooted in economic marginalisation, social exclusion and poor governance, have resulted in mistrust in national values and institutions. A successful response would promote inclusive human development, particularly in ungoverned spaces, by creating deeper democracy through devolved systems, promoting respect for human rights and social cohesion and the development of attractive and stable livelihood opportunities for youth.

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133 Sachs et al., 2020, The Sustainable Development Goals and COVID-19, Sustainable Development Report 2020

The Bureau of Statistics should be an independent institution from the Ministry of Development Planning and allowed to independently and impartially collect and report on data.

The Joint Bilateral Commission for Cooperation (JBCC) between South Africa and Lesotho should be strengthened and maintained to allow Lesotho to benefit diplomatically, socially and economically from South Africa's relative strength.

### Political stability

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The recent national dialogue and the ongoing reform process, however, present some hope for transformation. The passage of the National Reforms Authority Bill (2019) and the establishment of the National Reforms Authority in February 2020 provide a framework and government accountability towards the reforms process. However, for the reforms to succeed a greater level of political will and agreement will be required, as will the cultivation of public buy-in and support to enable progress, the mobilisation of external actors and the provision of political, financial and technical support.

### Public service delivery

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Political stability would contribute significantly to public service delivery, through allowing policy consistency (see [POLITICAL STABILITY](#)). Political stability would also benefit institutional stability and allow institutions to develop and serve the public. Therefore, the successful implementation of the Government of Lesotho's reforms is critical (see [GOVERNANCE](#)).

### Human rights

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It is important for Lesotho to strengthen the normative framework in line with the core human rights instruments and other human rights treaties that Lesotho is party to. Recommendations relating to the Committee on the Rights of the Child and the Committee on the Protection of the Rights of All Migrant Workers and Members of Their Families should be embraced. The Kingdom of Lesotho should also consider ratifying global and regional human rights treaties including the Optional Protocol to the Convention against Torture and Other Cruel, Inhuman and Degrading Treatment or Punishment and the Second Optional Protocol to the International Covenant on Civil and Political Rights.

Impartial investigations into allegations of police brutality, corruption, and human rights violations and abuses should be undertaken and the Police Complaints Authority should be strengthened. Police officers may benefit from additional human rights training.<sup>134</sup>

## HUMANITARIAN-DEVELOPMENT-PEACE COLLABORATION

The Disaster Management Authority and the Ministry of Social Development have increasingly collaborated to respond towards successive droughts and COVID-19 by coordinating the development of response plans with participation of both development and humanitarian actors. This should continue so that existing social protection schemes can be scaled up or down in response to Lesotho's need (see [SOCIAL PROTECTION](#)).

An effective strategy to contain, reduce and end violence must also focus on the resolution of the root cause conflict drivers, including poverty (see [POVERTY](#)), increased competition for natural resources (see [NATURAL RESOURCES](#)) and youth unemployment (see [EMPLOYMENT](#)).

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134 A/HRC/WG.6/35/LSO/3, Para. 25.

Building local capacity for intra- and inter-party democracy will help prevent conflict and the ongoing national reforms process can play a key role in supporting capacity development and conflict prevention, as would a national peace architecture.