



Promoting decent work for women, young people and people with disabilities in Lesotho

Country context

HIGH POVERTY, INEQUALITY AND UNEMPLOYMENT

Lesotho is one of the poorest countries in sub-Saharan Africa, and one of the 10 most unequal nations in the world. Poverty is highest in rural areas, where more than three quarters (77 per cent) of the country's people lives. Nearly 6 in 10 people live below the national poverty line, while over a third (34 per cent) survive under the food poverty line of Maloti 138 (US\$10.3) per adult per month. A third of the working-age population is unemployed, with women and young people disproportionately affected. Only 1 in 10 people is formally employed in the country.

LIMITED PRIVATE SECTOR DEVELOPMENT

In the context of limited state employment in Lesotho, the private sector offers an opportunity to generate employment, especially for the youth. However, the country has a small, highly fragmented and undiversified private sector, mainly attributed to lack of business sophistication, limited innovation and lack of access to information and technology. Lesotho is ranked towards the bottom of international indices such as the World Bank Doing Business Index and the Global Competitiveness Index.

More than 80 per cent of private companies in Lesotho are micro-, small- and medium-sized enterprises, of which the majority are sole proprietorships. While 45 per cent of these enterprises are using formal financial services, only 2 per cent have access to credit and insurance services. Most young people are literate but do not have the relevant employment-ready skills needed to thrive in the private sector.

FINDING EMPLOYMENT IS DIFFICULT FOR WOMEN AND VULNERABLE GROUPS

While women are generally more educated than men, they are less likely to be employed. Young people also struggle to find employment. In addition, they are affected by limited opportunities for apprenticeships or internships that provide gateways for young people to enter the workforce. Adding to their woes is the fact that young women and men often do not have the skills in demand by the labour market. People with disabilities are especially excluded from employment, and rely heavily on government social grants to survive. Child labour is an additional concern, with 23 per cent of children aged 5–14 working. Boys are at heightened risk, especially those involved in potentially harmful child labour, such as livestock herding. Low-skilled migrants from Lesotho who are working in neighbouring countries, often in inhumane conditions, are another vulnerable group that needs support and access to decent work.

POSITIVE ECONOMIC DIVERSIFICATION; TOURISM REMAINS WEAK

Lesotho is a popular tourist destination. However, direct tourism receipts comprise only 1.5 per cent of GDP. The country ranks low on overall competitiveness and more needs to be done to improve tourism infrastructure,





services, customer service, attractions and business conditions. In addition to tourism, greater investments need to be made in other sectors such as services, construction, processing and manufacturing as a way of conquering unemployment and underemployment, particularly in rural areas.

CHALLENGES TO THE PREDOMINANT SUBSISTENCE AGRICULTURE

Agriculture and survivalist activities are the primary means of earning a living in rural areas in Lesotho, contributing 29.5 per cent of household income on average. However, only 10 per cent of the country's land is suitable for agriculture. Despite the government's efforts to commercialize the sector, challenges relating to ownership of land, limited technology and financial risk appetite constrain investments and participation of youth in the sector.

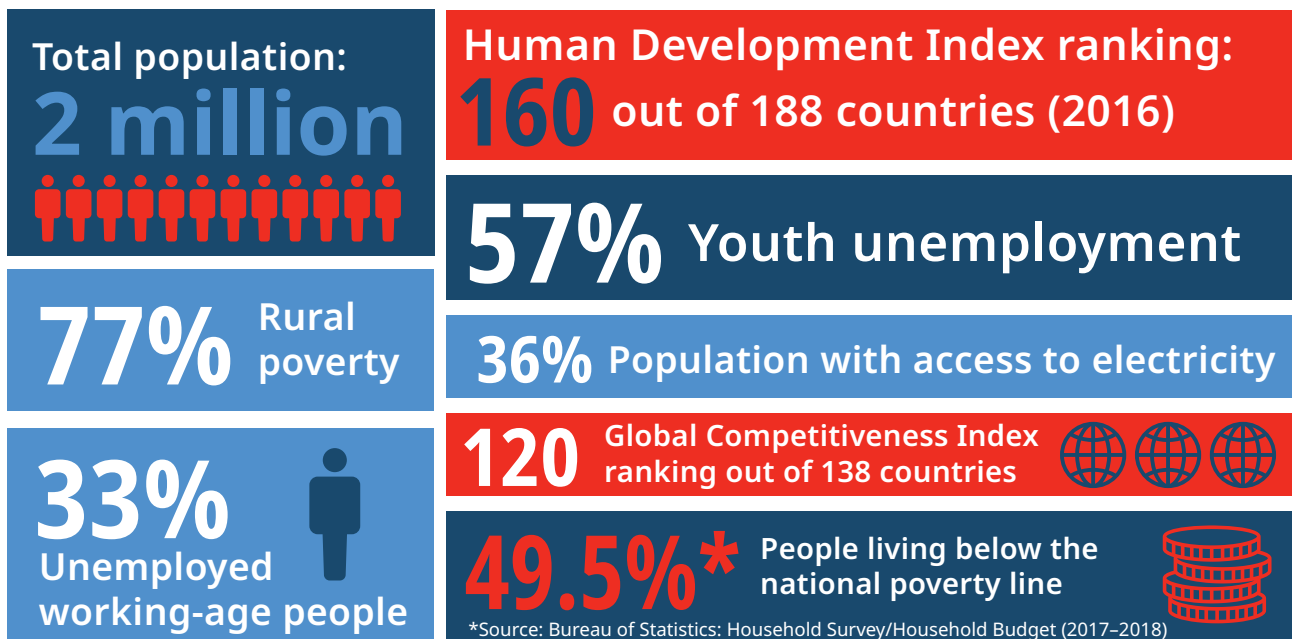
INFRASTRUCTURE CHALLENGES ACROSS MULTIPLE SECTORS

The country's surveillance system for agriculture and human health is fragmented and unable to share critical information during public health events. The country continues to face infrastructure challenges, with just 36 per cent of the population able to access electricity. Access to the Internet and associated technologies is still low. While 15 per cent of GDP is remittances from abroad in 2016, bank charges for remittances through official channels from South Africa to Lesotho have forced migrants to use high-risk unofficial channels.

CRITICAL DATA GAPS

Lesotho needs to produce better statistics to inform policy-makers and development frameworks such as the National Strategic Development Plan (NSDP II), the Sustainable Development Goals (SDGs), Vision 2020, and other national and sectoral development plans. The most recent Labour Force Survey is outdated (published in May 2008). In addition, there are no reliable employment data and child labour statistics available. Significant data gaps also exist across much of the employment and agriculture sector. There are also cross-sectoral gaps on vulnerability-sensitive data for gender, youth and people living with disabilities.

Lesotho at a glance



World Bank Doing Business Index ranking: 104 out of 160 countries

Source: United Nations, *United Nations Development Assistance Framework for Lesotho 2019–2013, Delivering together for development*, 2019.





Development objectives and priorities

The United Nations Development Assistance Framework (UNDAF) 2019–2023 provides joint United Nations support to Lesotho’s national development priorities, as United Nations agencies join forces to help Lesotho progress towards the achievement of the Sustainable Development Goals (SDGs) by 2030.

This fact sheet presents a summary and funding gaps for outcome 3.1 of the UNDAF pillar 3 on sustainable and inclusive economic growth for poverty reduction.

WHAT WE WANT TO SEE BY 2023?

UNDAF outcome 3.1

Government and private sector increase opportunities for inclusive and sustainable economic growth, improved food security and decent work especially for women, youth and people with disabilities.

UNDAF outcome 3.1 is aligned with:

- NSDF II: Supporting inclusive and sustainable economic growth and private sector-led job creation
- SGDs 1, 2, 5, 6, 7, 8, 9, 10, 12, 13, 15, 17

1 NO POVERTY



2 ZERO HUNGER



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



15 LIFE ON LAND



17 PARTNERSHIPS FOR THE GOALS



WHAT DO WE FOCUS ON?

- Support development and implementation of gender-sensitive and evidence-based policies, strategies and programmes to **promote decent employment in the formal economy**, particularly for rural and urban youth, women, migrants and people with disabilities.
- Improve capacities and policies at national, district and local levels to **attract internal and external investment** and stimulate cross-border trade diaspora engagement and circular labour migration, as well as opportunities to exchange skills.
- Promote the establishment of **innovative and sustainable entrepreneurial development initiatives and financial services**, particularly for women, youth and marginalized groups.
- Facilitate **skills development and training opportunities** to increase economic productivity and diversified sources of livelihood for vulnerable people.
- Strengthen the **technical vocational education and training system** to better prepare young women and men for the world of work.
- Strengthen the **labour market information system** and develop platforms to facilitate access to information on development opportunities.
- Support the development and implementation of strategies for **entrepreneurship and business development**, including the transition of informal economy enterprises to the formal economy.
- Support **gender-responsive budgeting for high-value sectors** for investment in entrepreneurship and employment opportunities.
- Support of **diaspora** engagements.





SPECIFIC ACHIEVEMENTS BY 2023

40% of women, men and children living in poverty (down from 49.5%)

10% no recurrence of a major ecological disaster

50.6% of working age population that has employment in both the formal and information sectors (up from 44.1%)



Increase in average monthly earnings from 2008

10% women



8% men



IMPLEMENTATION AND MANAGEMENT

Delivering as one (implementing UN agencies):

Food and Agriculture Organization (FAO), International Organization for Migration (IOM), United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA), United Nations Children's Fund (UNICEF), World Food Programme (WFP), World Health Organization (WHO) and non-resident agencies – International Atomic Energy Agency (IAEA), International Fund for Agricultural Development (IFAD), International Labour Organization (ILO), International Trade Centre (ITC), United Nations Capital Development Fund (UNCDF), United Nations Conference on Trade and Development (UNCTAD), United Nations Environment Programme (UNEP), United Nations Industrial Development Organization (UNIDO), Joint United Nations Programme on HIV/AIDS (UNAIDS), United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and World Trade Organization (WTO).

Partnerships:

Ministries of Development Planning; Finance; Trade and Industry; Ministry of Small Business Development,

Co-operatives and Marketing; Forestry, Range and Soil Conservation; Agriculture and Food Security; Tourism, Culture and Environment; Health; Energy and Meteorology; Gender, Youth and Sports; and Labour and Employment; Office of the Prime Minister, Bureau of Statistics; Disaster Management Authority; Central Bank of Lesotho; Lesotho Chamber of Commerce and Industry; Private Sector Foundation of Lesotho; Lesotho National Federation of Organizations of the Disabled; Women's Network Entrepreneurship Network; European Union; World Bank; Global Environment Facility.

Governance structure and management arrangements:

UNDAF Joint Steering Committee; UN Country Team; UNDAF Outcome Results Group 3.

Current donors:

Adaptation Fund, UN Central Emergency Response Fund (CERF), Government of Belgium, Government of Italy, IOM Development Fund (IDF), Swedish International Development Agency, Swiss International Development Agency.

BUDGET FOR UNDAF OUTCOME 3 (2019-2023)

Total needed:
US\$48.5 million



What we have so far:
US\$13.5 million



Funding gap:
US\$35 million



BUDGET FOR UNDAF OUTCOME 3 (2019-2020)

Total needed:
US\$22 million



What we have so far:
US\$7.9 million



Funding gap:
US\$14 million



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