GOVERNMENT OF LESOTHO
UNITED NATIONS
HIGH-LEVEL ROUNDTABLE

“TRANSFORMATION & REFORM:
THE PATH TO LESOTHO’S
SUSTAINABLE DEVELOPMENT”

14 -15 July 2016

Briefing Package
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R-UNDG Mission Concept Note

Introduction

The Kingdom of Lesotho is currently at a crossroads, facing multiple and mutually-reinforcing development challenges. These challenges include a humanitarian crisis brought on by the El Nino weather phenomenon, an uncertain socio-economic outlook, long-term environmental degradation and climate change, as well as the continuing effects of political instability. Together, these factors make for elevated vulnerability and an unpredictable future for Basotho. The situation strikes at the very roots of the country’s progress and threatens to reverse hard-won development gains with serious consequences for the lives and livelihoods of hundreds of thousands of Basotho.

The UN remains a key development partner in Lesotho and has been keenly monitoring the unfolding complexity and offering support. The UN is currently reviewing its Lesotho Development Assistance Plan (LUNDAP 2013-2017) and gearing to discuss a new one with the Government. In order to further determine how the UN can best continue to support Lesotho to arrest and turn around the situation, the United Nations Development Group Regional Directors Team (R-UNDG) plans to visit Lesotho from 13-15 July 2016. The R-UNDG is led by the Assistant UNDP Administrator and Director of the Regional Bureau for Africa at UNDP, and includes the Regional Directors of UNDP, UNFPA, UN Women, FAO, IOM, UNESCO, UNDPA, ILO, WFP, WHO, OCHA. During this visit, the R-UNDG will hold a High-Level Roundtable (HRT) with the Government of Lesotho, the United Nations Country Team, international development partners and other stakeholders. The HRT will be organised around three Thematic Sessions (see) below and will discuss the current state-play including progress made and current challenges, and generate proposals for immediate steps and long-term solutions to meet the challenges, including how the UN could best leverage its support.

Background: Flagging the Issues

After several years of stable growth with moderate inflation, the economic situation in Lesotho has been deteriorating since 2014. Real GDP growth decelerated from an average of approximately 4.5% for the period 2010-2014 to approximately 2.6% in 2015, and is expected to decline to 2.2% in 2016-17, owing to a devastating region-wide drought combined with domestic uncertainty and spillovers from the economic downturn in South Africa. Inflationary pressures have also been building, mainly due to rapidly increasing food prices and currency depreciation. Inflation is expected to reach 5.1% in 2016-17 before declining in the medium-term. The fiscal situation has also been worsening, driven by government expenditures of over 60 percent of GDP in recent years, the bulk of which goes to recurrent expenditures. The Government wage bill alone accounted for 47% of the total current expenditures in 2015. This, combined with Lesotho’s heavy reliance on the volatile SACU revenues (which declined to 23% of GDP in 2015 and is expected to drop further to 17% of GDP in 2016-17) to finance large Government expenditures, poses a major challenge for the country. While the pegging of the Loti, the local currency, to the South African Rand (ZAR) under the Common Monetary Area (CMA) has in the past ensured its stability, it has come under increasing pressure following the dramatic decline of the ZAR in 2015, impacting the spending power of Basotho.
Lesotho is characterized by public sector-led growth, low diversification of the economy and a small and weak private sector which constrains growth, and job creation and limits government resources for development purposes. The main drivers of growth are project-based, such as those funded through the Millennium Challenge Account (MCA). Revenues from the textiles and clothing industry as well as SACU have been declining. Lesotho’s textile industry has been losing its market share in the U.S. to competitors in Africa and Asia. This situation is made worse by the uncertainty surrounding the AGOA agreement, under which the Lesotho textile industry initially thrived. Developments such as increasing international competition compounded by the signing of the Trans-Pacific Partnership Agreement by several Pacific countries and the U.S. affect the industry in Lesotho. AGOA was recently conditionally renewed for one year under terms that would allow the U.S. to cancel the programme with 60 days’ notice.

Lesotho is classified as a low human development country with a HDI value of 0.497, ranking it 161 out of 188 countries in 2014 (UNDP HDR, 2015). Lesotho’s 2014 HDI is below the average for countries in the low human development group (0.505). In terms of income inequality, Lesotho ranks among the top 10 countries in the world. The limited impact of growth on livelihoods and access to social services has also contributed to income and rural-urban inequalities. Lesotho’s Gini Coefficient at 0.53 masks deep spatial and income inequalities. The country’s high poverty rate (57.1%) indicates that growth has not been inclusive, with the incidence of poverty virtually unchanged from a decade ago. Unemployment rates have also remained high, especially among the youth.

Progress on some socioeconomic indicators has been positive but not rapid enough to achieve the targets of the Millennium Development Goals. The unfinished business of MDGs in Lesotho relates mainly to health and poverty indicators, amongst others. The country has the second-highest HIV/AIDS prevalence in the world at approximately 23%, with just under one in four people in Lesotho living with HIV. The high prevalence of HIV/AIDS makes poverty alleviation and infant/maternal health efforts all the more challenging. The high rate of HIV/AIDS and high unemployment have also contributed to Lesotho’s extremely slow progress in the areas of eradicating extreme poverty, reducing child mortality, improving maternal health, amongst others. Lesotho has committed to addressing the unfinished business of the MDGs and implementing the Sustainable Development Goals (SDGs) and has initiated the process of prioritizing and localizing the SDGs and mainstreaming them into its national policies and plans.

Lesotho, like many other countries in Southern Africa, is prone to natural disasters and to drought and desertification, making it highly vulnerable to the effects of climate change. Other hazards that affect Lesotho are snowfall, hailstorms, strong winds, and early frost. These events disproportionately affect the rural population, which is heavily dependent on subsistence farming and other rural activities. Lesotho’s vulnerability to hazards is compounded by other factors, including high levels of poverty, particularly in rural areas, and the scattered nature of rural settlements which makes provision of and access to social services difficult. The country is also confronted by massive land degradation which is mainly caused by unsustainable land management practices and over-exploitation of its ecosystems. The negative impacts of climate change, such as droughts and flooding, also compound land degradation.

Lesotho recently went through one of its worst droughts on record, induced by the El Nino weather phenomenon, with large-scale impacts on crop production, food security and malnutrition, water scarcity,
health, migration, protection, rural employment, incomes and livelihood. While the rains finally came, prospects for good harvests are low and therefore the effects of the drought are expected to continue throughout 2016. The Government declared a drought emergency on 22nd December 2015 and, with the support of the UN, developed a response plan as well as an appeal for international support. According to the Lesotho Drought Impact Assessment carried out at the end of January 2016, the number of people at risk of food insecurity until June 2016 is 534,502 (over 25% of the total population) and that number is expected to increase in 2016. The funding requirement for addressing the current drought is estimated at U.S. $36.5 million. The Government announced the allocation of M155 million (approximately U.S. $9.7 million) for immediate/short-term interventions lasting from December 2015 to March 2016 and medium-term interventions, lasting from April to May 2016. As of 28 April 2016, the UN had mobilized US $12.8 million of the US $54.8 million required to complement the GoL’s appeal. The Ministry of Water has focused on water-trucking and the procurement of drilling machines, utilizing around US $ 1.1 million. The Ministry of Health has spent around US $21,000 while the Ministry of Agriculture has used around US $9,000. At the end of April, there remained a financial gap of U.S. $26.8 million to meet the needs outlined in the Government appeal.

Lesotho’s outlook is further compounded by recent security incidents and the perception of political uncertainty, with implications for stability and economic development. The events before and subsequent to the collapse of the first coalition Government in 2014 remain at the centre of the current perception of instability, which has persisted even after the peaceful snap elections and smooth transfer of power to the winning 7-party coalition government in February 2015. Developments such as the flight of opposition leaders, including the immediate former Prime Minister, citing threats to their lives and the pending investigation of and accountability for the killing of the former commander of the Lesotho Defence Force, have perpetuated a sense of uncertainty affecting the investment climate and donor support to the country. The conditioning of continued donor support to key reforms and accountability has highlighted the criticality of institutional and governance reforms in the country. From the outset, in its ‘Coalition Agreement on Stability and Reforms’, the current government recognised the need for multiple sector reforms and a review of the country’s constitution to improve governance and hopefully restore the confidence of investors and the international community. These reforms are yet to commence and as the country edges towards the next scheduled elections, the window of opportunity for initiating the reforms may close. Underpinning advancement in the development agenda will be the need to take steps towards implementing SDG Goal 16 regarding the promotion of peaceful and inclusive societies, access to justice for all and the building of effective, accountable and inclusive institutions at all levels. Furthermore, although there are several NGOs working on women’s rights in Lesotho who are active, women have remained under-represented within the political leadership and more needs to be done to empower women to take up decision-making positions.

Seizing the Moment
This background overview demonstrates that Lesotho is currently in a highly vulnerable position due to mutually reinforcing humanitarian, environmental socio-economic and political circumstances. These vulnerabilities need to be addressed in a timely, efficient and coordinated manner in order to avoid further deterioration and reversal of the gains made through years of development work. The complex reality facing the country also suggests the need to take stock and rethink strategies employed so far. The current roll-out of the SDGs, the humanitarian response and the Coalition Reform Agenda offer a critical moment and an opportunity for a concerted effort to engage the current vulnerabilities.
Against the above backdrop, the purpose of the R-UNDG Mission to Lesotho is to gain a first-hand understanding of the situation in Lesotho and to engage the government and other stakeholders regarding how the UN can best support the government and people of Lesotho with respect to current development challenges and opportunities.

**Objectives and Activities of the R-UNDG Mission**

Specifically, the R-UNDG will:

1. Hold high-level meetings and discussions with the Lesotho Government leaders on the development agenda in the country and mutual areas of interest;

2. Under the theme, "Transformation and Reform: The Path to Lesotho's Sustainable Development" hold a High-level Roundtable (HRT) with the Government and other stakeholders. The three thematic areas of the HRT are:
   a) Strengthening Health Systems to Deliver on the SDGs;
   b) Environment and Climate Change;
   c) Socio-Economic Outlook and Governance Reforms Agenda.

The purpose of the HRT is to:

- Provide a platform for various stakeholders and policymakers to discuss the complex challenges confronting the country and to identify the underlying contributory factors;
- Generate alternative proposals for immediate steps and long-term solutions to meet the challenges for putting Lesotho back on track for inclusive and sustainable development, taking account of prior UN assessments
- Explore ways of building confidence in and mobilizing support for the Government’s reform agenda.

**Preparations**

Relevant ministries have been contacted and are in the process of setting up joint UN-GoL Thematic Working Groups to prepare the details of each thematic session.

**Roundtable Venue, Content and Agenda**

The roundtables will be held at the Lesotho Avani Hotel in Maseru. A tentative schedule is attached. Detailed Briefs for each Roundtable including the time, agenda, moderators, speakers and participants, will be developed and shared closer to the Mission.
The Government of Lesotho – The United Nations High-Level Roundtable

Agenda

“Transformation and Reform: The Path to Lesotho’s Sustainable Development”

Lesotho, Maseru, 14-15 July 2016
Lesotho Avani Hotel

Official Opening of the High-Level Roundtable

Official Opening of the High-Level Roundtable. Welcoming Remarks by

08:00 – 08:05
Ms. Karla Hershey, UN Resident Coordinator in Lesotho, Facilitator

08:05 – 08:10
Mr. Abdoulaye Mar Dieye, UNDP Assistant Administrator and Director, Regional Bureau for Africa, Chair of UNDG Africa

08:10 – 08:20
Hon. Khotso Letsatsi, Minister of Communications, Acting Minister of Foreign Affairs and International Relations

08:20 – 08:30
Launch of the Blood Donation Campaign – by the First Lady Mrs. Mathato Mosisili

08:30
Invitation for a Group Photo by Facilitator Ms. Karla Hershey, UN Resident Coordinator in Lesotho

08:30 – 08:40
Group Photo (Government Senior Officials, R-UNDG, UNCT)

08:40 – 08:50
Participants are invited to attend the Blood Donation Campaign (Lesotho Avani Hotel, Conference Hall Entrance Area)

08:50 – 08:55
Participants of the Session 1 return to the Conference Hall
High-Level Roundtable Session on Strengthening Health Systems to Deliver on the Sustainable Development Goals (SDGs)

09:00 – 09:05  Opening of the High-Level Roundtable Session on Strengthening Health Systems to Deliver on the SDGs

Session Objective: To reach a common understanding of and consensus on key health systems issues affecting the health sector and recommend concrete priority strategic directions for achieving the Sustainable Development Goals

09:05 – 09:15  Welcoming Remarks by Chairs

Hon. Dr. Molotsi Monyamane, Minister of Health, Chair (5 mins)

By Dr. Julitta Onabanjo, UNFPA East and Southern Africa Regional Director, Co-Chair (5 mins)

09:15 – 09:25  Keynote Speaker: Dr. Prosper Tumusiime, WHO Regional Office for Africa

Health systems overview and their role in achieving the Sustainable Development Goals (7 mins)

09:25 – 09:45  Panel Discussions

Dr. Letsie Nyane DG MOH: What core Stewardship actions are needed by (i) the MOH/GOL, (ii) Partners at central, district and community level or strengthening the health systems in order for Lesotho to achieve its health SDGs? (5 mins)

Dr. Anthony Asije: UNICEF Chief of Health in Lesotho Country Office: What Challenges are encountered in building resilience in Health Development agenda in an Emergency situation: How are the challenges being addressed - Lessons from Liberia (5 mins)

Dr. Abera Leta Executive Director PiH: What mechanisms will be needed to hold each stakeholder accountable for their roles in Health Systems Strengthening towards achieving the Health SDGs? (5 mins)

Expert Contributor: By the First Lady Mrs. Mathato Mosisili (5 mins)

09:45 – 10:15  Q&A

10:15 – 10:30  Tea Break
10:30 – 12:10 Discussions

Setting Key Priority Directions for Health Systems Strengthening towards achieving the SDGs

12:10 – 12:20 Wrap-up by Chairs - Overview of Session Contribution to the High-Level Roundtable Outcome Statement and Closing

Hon. Dr. Molotsi Monyamane, Minister of Health, Chair (5 mins)

Dr. Julitta Onabanjo, UNFPA East and Southern Africa Regional Director, Regional Directors’ Country Focal Point for Lesotho, Co-Chair (5 mins)

Session Rapporteurs:
Mr. Victor Ankrah, UNICEF Deputy Representative
Mr. Albert Hlabana, WHO, Public Health and Environment Officer

12:20 – 12:30 Leave to Restaurant at Lesotho Avani Hotel

12:30 – 13:25 Lunch

13:25 – 13:30 Participants of the Climate Change and Environment Session arrive at the Conference Hall, Lesotho Avani

13:30 – 17:00 High-Level Roundtable Session on Environment and Climate Change

13:30 Opening of the High-Level Roundtable Session on Environment and Climate Change

Objective: To provide a platform for dialogue on the key environmental and climate change related challenges facing Lesotho, their impacts on the country’s development and sustainable livelihoods of the Basotho and to make recommendations for possible mechanisms and options to develop a climate resilient nation.

13:30 – 13:45 Welcoming Remarks by Chairs
Hon. S. Mochoboroane, Minister of Energy and Meteorology; “Climate Change and its Impact on Lesotho”, Chair (10 mins)

Mr. David Phiri, Sub-Regional Coordinator for Southern Africa and FAO Representative in Zimbabwe, Botswana and Swaziland, Co-Chair (5 mins)

13:45 – 13:55 Keynote Speaker: Ministry of Tourism, Environment Culture: State of the Environment of Lesotho - Key Environmental challenges, underlying causes,
effects and impacts and key required urgent actions for sustainable environmental management (10 mins)

13:55 – 15:15  
**Panel Discussions**

*Ms. Federica Dispenza Resilience Advisor to RIASCO, UNDP Southern Africa: Approaches to Sound Environmental Management and Building a Resilient Nation (5 mins)*

*Ms. Joyce MulilaMitti, FAO, “Promoting Climate Smart Agriculture to Enhance Food Security and Sustainable Livelihoods” (5 mins)*

*Ms. Phemo Karen Khomotso, Regional Technical Specialist - UNDP/GEF. Options and Opportunities for Funding Sustainable Environmental Management in Lesotho (5 mins)*

*Disaster Management Authority - Towards an effective disaster management system for Lesotho: The Experience of Lesotho (5 mins)*

15:15 – 15:30  
**Tea Break**

15:30 – 16:40  
**Continuation of Discussions**

16:40 – 16:50  
**Wrap-up by Chairs - Overview of Session Contribution to the High-Level Roundtable Outcome Statement and Closing**

*Hon. S. Mochoboroane, Minister of Energy and Meteorology, Chair (5 mins)*

*Mr. David Phiri, Sub-Regional Coordinator for Southern Africa and FAO Representative in Zimbabwe, Botswana and Swaziland, Co-Chair (5 mins)*

**Session Rapporteurs:**

*Ms. Suzan Martin, Emergency Coordinator, WFP*

*Mr. Christoph Oberlack, Humanitarian Coordination Officer, RCO*

*Mr. Limomane Peshoane, Sustainable Development Specialist, UNDP*

*Mr. Mafamo Pholo, World Vision, Lesotho*
Reception Hosted on the Occasion of the R-UNDG Mission to Lesotho

18:00 – 20:00
Reception Hosted on the Occasion of the R-UNDG Mission to Lesotho
With participation of the Government of Lesotho, national and international development partners, diplomatic corps, UN system, CSOs, private sector, academia

18:00
Welcome Remarks

By Mr. Abdoulaye Mar Dieye, UNDP Assistant Administrator and Director, Regional Bureau for Africa, Chair of UNDG Africa

By Hon. Khotso Letsatsi, Minister of Communications, Acting Minister of Foreign Affairs and International Relations

Cocktail Reception
Day 3: Friday, 15 July
07:50 - 08:00  Arrival at the Conference Hall, Lesotho Ávani

08:00 – 10:15
High-Level Roundtable Session, Part A: Socio-Economic Outlook

08:00 – 08:05  Opening of the High-Level Roundtable Session, Part A: Socio-Economic Outlook

Ms. Diana Ofwona, UN Women, Regional Director, ESARO, Facilitator

Session Objective: To review the current Socio-economic Outlook and challenges facing Lesotho and the underlying contributory factors; convene multi-stakeholder discussions on three priority issues to help identify policy solution to address them to put Lesotho back on track for inclusive, sustainable and high job-creating growth

08:05 – 08:15  Welcoming Remarks by Chairs

Hon. Mokoto Hloaele, Minister of Development Planning (5 mins)

Mr. Abdoulaye Mar Dieye, UNDP Assistant Administrator and Director, Regional Bureau for Africa, Chair of UNDG Africa (5 mins)

08:15 – 08:25  Keynote Speaker: Ms. Retšelisitsoe Adelaide Matlanyane, Central Bank Governor (10 mins)

08:25 – 10:05  Panel Discussions

Hon. Mohl. Molahlehi Letlotlo, Minister of Social Development (5 mins)

Mr. Guang Chen, WB Country Director in RSA (5 mins)

Ms. Motena Tsolo, Chief Executive Department of Economic Policy, Ministry of Finance (5 mins)

Mr. Tseko Bohloa, Member of Lesotho Chamber of Commerce and Industry (5 mins)

Facilitator invites Co-Chairs to wrap-up and close – by Ms. Diana Ofwona, UN Women, Regional Director, ESARO

10:05 – 10:15  Wrap-up by the Chairs - Overview of Session/Part A Contribution to the High-Level Roundtable Outcome Statement and Closing

Hon. Mr. Mokoto Hloaele, Minister of Development Planning, Chair (5 mins)
Mr. Abdoulaye Mar Dieye, UNDP Assistant Administrator and Director, Regional Bureau for Africa, Chair of UNDG Africa, Co-Chair (5 mins)

Session Rapporteurs:
Ms. Mabulara Tsuene, UNDP National Expert
Mr. Sipho Ndlovu, ILO, Senior Programme Officer

10:15 – 10:30
Tea Break

10:30 – 13:15
High-Level Roundtable Session/Part B on Governance Reforms

10:30 – 10:35
Opening of the High-Level Roundtable Session, Part B: Governance Reforms

Mr. Lira Ralebese, Deputy Principal Secretary, Ministry of Law, Constitutional Affairs and Human Rights, (MLCAHR), Facilitator

Sessions Co-Conveners/Co-facilitators:
Mr. George Wachira, Peace and Development Advisor UN Lesotho and Head, Governance and Peace Building, UNDP Lesotho;
Mr. Clever Nyathi, Consultant, Dialogue and Consensus-building Advisor, UNDP Lesotho

Session Objective: To provide a platform for dialogue on the need, status, progress and challenges of governance and other reforms in Lesotho. Specifically, the session will (i) discuss factors contributing to challenges of governance and needed reforms; (ii) develop inclusive suggestions for moving forward Lesotho’s reform agenda for sustainable development; and (iii) explore and articulate possible mechanisms for strengthening confidence and consensus among Lesotho stakeholders the reform agenda in line with the Government’s stated intention to engage all stakeholders in pursuit of a new constitution.

10:35 – 10:45
Welcoming Remarks by Chairs

Hon. Adv Lekhetho Rakuoane, Minister of Home Affairs: “Overview of the Lesotho’s Reform Agenda, progress so far and the way forward”, Chair (5 mins)

Mr. Abdoulaye Mar Dieye, UNDP Assistant Administrator and Director, Regional Bureau for Africa, Chair of UNDG Africa, “The centrality of governance in sustainable stability and development”, Co-Chair (5 mins)

10:45 – 10:55
Dr. Motlamelle A Kapa, Head of the Department of Political and Administrative Studies at the National University of Lesotho (NUL): “What factors have
contributed to the challenge of stability and governance of the kingdom and how can reforms including a new constitution help?” (10 mins)

10:55 – 12:50

Panel Discussions

Mr. Seabata Motsamai, LCN: “What are the urgent reforms that are needed in Lesotho and why?” (5 mins)

Hon. Tsukutlane Au, Minister of Public Service: “What is Government doing to ensure an efficient and professional public service that can deliver quality services and spearhead national development?” (5 mins)

Dr. Joan Nwasike, Adviser and Head Public Sector Governance Unit, Commonwealth Secretariat: “What could be learnt from international best practices to help improve public service delivery in Lesotho?” (5 mins)

Archbishop Gerard Tlali Leretholi, O.M.I. (CCL): “How can we build and expand national consensus and participation in the reform process”? (5 mins)

Ms. Libakiso Matlho (National Director, Women and Law in Southern Africa): “What is wrong with the current constitution? Should the current constitution be amended, or does Lesotho require an entirely new constitution” (5 mins)

12:50– 12:55

The Facilitator invites Co-Chairs to wrap-up and conclude the session – by Mr. Lira Ralebese, Deputy Principal Secretary, Ministry of Law, Constitutional Affairs and Human Rights, (MLCAHR), Facilitator

12:55 – 13:10

Wrap-Up by Chairs and Overview of Session/Part B Contribution to the High-Level Roundtable Outcome Statement

Hon. Adv. Lekhetho Rakuoane, Minister of Home Affairs, Chair (5 mins)

Mr. Abdoulaye Mar Dieye, UNDP Assistant Administrator and Director, Regional Bureau for Africa, Chair of UNDG Africa, Co-Chair (5 mins)

Session Rapporteurs:

Ms. ‘Mapoulo Maseela, Director of Human Resources, MLCAHR
Mr Johan Bogh, UNDP Lesotho

13:10 – 13:15

Facilitator invites participants for High-Level Roundtable Outcome Statement Overview and Closing – by Dr. Julitta Onabanjo, UNFPA East and Southern Africa Regional Director

13:15 – 13:25

High-Level Roundtable Outcome Statement Presentation and Closing of the High-Level Roundtable
Mr. Abdoulaye Mar Dieye, UNDP Assistant Administrator and Director, Regional Bureau for Africa, Chair of UNDG Africa, Co-Chair

Hon. Khotso Letsatsi, Minister of Communications, Acting Minister of Foreign Affairs and International Relations

13:30 – 14:00
Joint Government of Lesotho – UN Media Briefing
Conference Room 2, Lesotho Avani Hotel

13:30 – 14:00
Joint GoL-UN Media Briefing

Mr. Abdoulaye Mar Dieye, UNDP Assistant Administrator and Director, Regional Bureau for Africa, Chair of UNDG Africa, Co-Chair

Hon. Khotso Letsatsi, Minister of Communications, Acting Minister of Foreign Affairs and International Relations

Venue: Conference Room 2 – Lesotho Avani Hotel

13:30 – 14:30
Lunch for All Participants. Restaurant at Lesotho Avani Hotel

15:00
Departures
Concept Note for Session 1: Strengthening Health Systems to Deliver on the SDGs

TRANSFORMATION AND REFORM: THE PATH TO LESOTHO’S SUSTAINABLE DEVELOPMENT
GOVERNMENT OF LESOTHO – UNITED NATIONS HIGH-LEVEL ROUNDTABLE
SESSION 1: STRENGTHENING HEALTH SYSTEMS TO DELIVER ON THE SDGS
14 JULY 2016, 09:00 – 12:30

Session Chairs: Hon. Dr. Molotsi Monyamane, Minister of Health of Lesotho
Dr. Julitta Onabanjo, UNFPA East and Southern Africa Regional Director

Session Objectives:
- To discuss the challenges, opportunities for strengthening health systems towards achieving the SDG in Lesotho;
- To clarify stewardship actions and accountability towards strengthening the health systems;
- To discuss country resilience towards health systems strengthening in emergency situations.

Session Rapporteurs: Mr. Victor Ankrah, UNICEF Deputy Representative
Mr. Albert Hlabana, WHO Public Health and Environment Officer

Background

The purpose of this background paper is to provide contextual information for an enhanced understanding of the current state of the Lesotho health system as part of the round table discussion on “Strengthening health systems to deliver on the Sustainable Development Goals, SDGs”. The paper describes the health status of people in Lesotho, key health systems issues affecting the health sector and raises questions for consideration during the round table discussion.

Lesotho is located in Southern Africa and is completely landlocked, surrounded only by South Africa. It is classified as a lower middle income country with a per capita income of US$1879¹ and ranks 161 out of 187 countries² on the UN Human Development ranking. It has a population of approximately 2 million people, and is administratively divided into 10 districts with a land area of 30,000 square kilometers. The country is divided into four ecological zones - the lowlands, foothills, mountains and the Senqu River valley with elevation ranging from 1500-3500 metres above mean sea level. Lesotho remains cooler throughout the year compared to

¹ World Bank (2012)
² 2015 Human Development Report
other regions at the same latitude --with winter temperatures reaching as low as −18 °C in the highlands. The mountainous topography and harsh winters present a challenge for access to basic services, including health care services. The government is decentralized through the District and Local Councils composed of elected representatives, as provided for in the Local Government Act of 1997, which was last amended in 2004. Characteristics of good health systems include:

- Equitable access to safe, high quality, essential integrated people centred services, given without financial hardship to beneficiaries, in both routine and in emergency situation.
- Services provided by competent, motivated and equitably distributed health work force backed by a high quality responsive supply chain systems offering safe efficacious and cost effective medical products and technologies, and improved laboratory and diagnostics.
- Timely generation of data that is analysed for decision making and policy guidance as well as disease trends monitoring, detection and response to emerging disease threats and other complex health challenges.
- Effective coordination and leadership that bring together all stakeholders who are collectively accountable and where a decentralized structure facilitates the implementation at local level and where all levels - national, regional, district and global levels have space to play their roles.

Although the Lesotho Health sector is well funded by the government, with the second highest allocation of government funding of 9% of the GDP and with a per capita expenditure of 54$ well above the WHO recommended minimum of 34$, health outcomes are not commensurate with the resource input. See table 1 below:

**Table 1: Comparison of Some Health Indicators from Lesotho with African and Global Targets**

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</thead>
<tbody>
<tr>
<td>Life Expectancy at birth</td>
<td>43</td>
<td>50</td>
<td>50</td>
<td>62</td>
<td>No Target</td>
</tr>
<tr>
<td>Under 5 Child mortality/1000 live birth</td>
<td>117/1000</td>
<td>85 (2014 DHS)</td>
<td>95</td>
<td>48</td>
<td>37</td>
</tr>
<tr>
<td>Infant Mortality</td>
<td>112 (2004 DHS)</td>
<td>59 (2014 DHS)</td>
<td>63</td>
<td>34</td>
<td>27</td>
</tr>
<tr>
<td>Maternal Mortality Ratio/100,000 live birth</td>
<td>1155/100 000</td>
<td>1024/100000 (2014 DHS)</td>
<td>500</td>
<td>210</td>
<td>300</td>
</tr>
</tbody>
</table>
Lesotho Health Background

The life expectancy at birth is 50 years (50 years for males and 50 years for females (World Bank) partly due to the high burden of HIV in the country. Lesotho has a high burden of communicable diseases but has not been spared from non-communicable diseases. The HIV/AIDS epidemic coupled with the high death rates from cardiovascular, diabetes, cancer and chronic respiratory diseases constitute a double burden for the health system to manage and control.

About 310,000 adults and children are living with HIV in Lesotho. With a HIV incidence rate of 1.9 per 100 person years Lesotho remains one of the highest in the world - 1.9 per 100 person years. Twenty five per cent of adults aged 15-49 years are infected with HIV with females disproportionately affected (30%) than men (19%). Eighty two per cent HIV infections are acquired through unprotected heterosexual intercourse. HIV prevalence among key affected populations is significantly higher than the general population: sex workers (72%), factory workers (43%), men who have sex with men (33%) and inmates 31%, respectively.

In order to reverse the trend of HIV disease burden in the country the number of people on ART needs to double within the next three years. At the June 2016 United Nations General Assembly High-Level Meeting on Ending AIDS attended by high level government officials of around 100 countries adopted the 2016 Political Declaration on Ending AIDS: On the Fast-Track to accelerate the fight against HIV and to End the AIDS Epidemic by 2030. At national level, the Government adopted and launched the implementation of the Test and Treat Strategy in all health facilities by 1 June 2016. Currently 42% of all people living with HIV have access to ART (adults 41% and children 56%), which is not far off the 50% 2015 target. Mother-to-child HIV transmission rate is still above the 4.5% elimination target for 2015. Mother-to-child HIV transmission rate is 6% at six-weeks of life and 12% at the end of the breastfeeding period. Socioeconomic, workplace and cultural factors constrain long term antiretroviral treatment throughout the breastfeeding period. More women (84%) than men (66%) have been tested at least once for HIV and received their results. One out of four new HIV infections occurs in adolescent girls and young women, mainly as a result of exclusion, discrimination and violence.

Maternal, Child, Adolescent and Reproductive Health Challenges

Lesotho has unacceptably high maternal mortality ratio. The maternal mortality ratio has increased from 762 per 100,000 live births in 2004, to 1,155 in 2009, and 1,024 per 100,000 in 2014. Socio-cultural barriers, delayed health seeking behaviours, poor access to health services and inadequate human resources and supplies identified during the project formulation have not been resolved adequately enough to improve health outcomes for mothers and children. The Roadmap For Accelerating the Reduction of Maternal and Neonatal Mortality (2007-2015), which was aimed at increasing the number of skilled attendants during pregnancy, childbirth, and the post-partum period, as well as empowering communities to positive and early health-seeking behaviours did not achieve the anticipated reduction in maternal mortality. Participation in focused ante-natal clinic (ANC) visits (4 visits) increased from 70% to 74%, and immediate postnatal care increased from 53% to 60.9% between 2009 and 2014, respectively. Eight out of 10 deliveries are assisted by skilled health provider such as a nurse/midwives or doctors with two out of ten being delivered by unskilled persons such as traditional healers, village health workers relatives or friends. One out of five deliveries occur at home.

Despite the overall increase in Contraceptive Prevalence rate from 35% in 2004 to 60% in 2014, there is limited access to family planning services, particularly for adolescents and in districts with high rates of maternal, new-
Teenage pregnancy in Lesotho has remained relatively stable over the past 10 years from 20% in 2004 to 19% in 2014 (DHS2014). These numbers are even higher among adolescent girls in rural areas. Child marriage, gender based violence, poverty, lack of education and limited economic opportunities among girls, lack of contraceptive education and affordable, available contraceptive commodities are some of the constraining factors.

Lesotho has seen some improvement in stunting levels (reduced from 39% to 33%) among children under age 5 (DHS 2014). Child mortality rate has declined from a peak of 117 per 1000 live births in 2005 to 85 per 1000 live births in 2014, the percentage of reduction is barely 30% compared to the target of 66%. The main causes of child mortality are neonatal conditions, HIV, pneumonia and diarrhoea. Thirty two per cent of children below one year of age remain unvaccinated. These unvaccinated children are vulnerable to measles, polio and other vaccine-preventable diseases.

Lesotho STEPS survey report 2012 showed that 31% of adults have raised blood pressure, 42% are overweight and 20% are obese. The 2011 Lesotho Non-communicable Diseases (NCDs) Country Profiles showed four common causes of death as cardio-vascular diseases 14%, injuries 7%, Cancers and Chronic Respiratory diseases 4%. NCDs form part of the priority for the health sector as reflected in the National Health Policy and a National Multi-sectoral Integrated Strategic Plan for Prevention and Control of NCD 2014-2020 is in place.

Health System Challenges in Lesotho

Leadership and Governance

There is committed leadership at national level, but weak partner alignment and MOH internal coordination mechanisms have led to challenges in translating health development plans into action. For the past ten years the country has not had an endorsed health strategic plan needed to guide medium term agenda for the health sector. This has resulted in uncoordinated health interventions amongst stakeholders.

Service Delivery

Health service is delivered in Lesotho by the Government, the private for profit and the private not-for-profit entities through a three tier structure of primary health care made up of health centres and private facilities. There are 305 primary facilities, 22 secondary level facilities, comprising 22 hospitals with at least one hospital in each district, and two major referral hospitals.

More than half of the health facilities in the country (58%) are owned by Government, 38% by the Christian Health Association of Lesotho (CHAL), and the remaining owned either privately or operated by other NGOs. The majority of health sector staff (75%) are from MOH, whilst 22% are from CHAL, and 3% from other NGOs.

Community-based health service delivery such as outreach services are not routinely planned for and delivered. The National Health Policy has a policy objective and measures for addressing community-based health services. There is a need to engage with the community to ensure community-led, people-centred health services delivery. Eighty percent of the population can access a health facility within two hours of walking, but due to the challenging terrain this travel is quite difficult, especially for critically ill patients.
Coverage of high impact interventions have shown an upward trend in the past decade but the decline in mortality is not commensurate with the improved access suggesting that poor quality of health services may be an issue and requires systematic investigation. Anecdotal evidence and assessments show that adherence to standards of care with health facilities and mechanisms for instituting the standards are not fully functional. The country needs to consider among others:

- **Looking at issues that can be speedily undertaken in a cost effective manner so that they can be embarked on.**
- **Introducing advanced midwifery training in the schools of nursing so as to address high maternal deaths that occur in health facilities.**
- **Looking into the aspects of ethics of health care providers and the engagement of relevant professional bodies to play their part in terms of ensuring adherence to standards and implementing disciplinary measures.**
- **Setting up mechanisms for facilitating the implementation of recommendations made in reports shared or produced in the country.**
- **Setting up and implementing mechanism for making the health sector accountable on the services rendered to the nation.**

**Health Care Financing**

The financing of health is mainly from tax based revenues, loans and grants from foreign govenments, developmental partners, as well as direct out of pocket payments, and insurance premium payments by individuals and private companies. The per capita total health spending was USD297 in 2013, out of which the government health expenditure per capita was USD235. Also, the out of pocket spending on health is relatively low – it was estimated at 14% in 2013. This proportion is often used as a measure of the extent to which a population is prone to/or protected from catastrophic health spending and impoverishment. When the proportion is less than 20%, the population is said to be relatively well proptected from catastrophic health spending, as well as being shielded from financial ruin. Inefficient allocation of the available health resources has been observed. Primary health care expenditure accounts for only 9 percent of MOH budget compared to 51 percent expenditure for secondary and tertiary care, whilst the national level consumed 40% of the budget. Whereas the country’s policy favours primary health care, allocation of resources is disproportionately in favour of secondary and tertiary care. Lesotho’s $54 per capita expenditure on health is higher than the $34 per capita recommended by WHO and highest in the region (WHO). Chronic under spending of health resources (WHO) and inefficient fund allocation - only 9 percent of MOH budget is spent on primary care which caters for more than 60% of the population – is also a challenge (WHO). Despite plans to undertake and institutionalise national health accounts (NHA) for the past ten years, this exercise has never been undertaken.

**Health Work Force**

Health work force is produced by the Government and CHAL institutions but managed by the Public Service Commission in terms of creating and abolishing established posts amongst other activities in which the Ministry of Health has minimal role.

The health work force is inequitably distributed with less than 20% of human resource for health at primary care level providing 60% of the health care of the country. A study conducted by the Nursing Education Partnership Initiative (NEPI) in 2011 revealed that Lesotho has only about 26% of the WHO recommended
work force needed to attain the MDG Health goals. Paradoxically, there is a large proportion of unemployed health graduates in Lesotho showing a mismatch in human resources for health planning that links needs, production and utilization to viable established posts. A draft HRH strategic plan 2005-2025 is available but not yet implemented. There is a need for establishing functional human resource information system to facilitate informed recruitment and deployment, including coordination and close working relationship between the Ministry of Health and the Public Service Commission.

To have a holistic approach in addressing the HRH challenges for Lesotho, there is need to consider the following:

- **Mechanisms for formalising task shifting, which is happening on an ad hoc basis**
- **Production, absorption and retention of health work force**
- **Implementation of a policy of immediate absorption of health professionals on completion of their training**
- **Improving remuneration package for health professionals towards South Africa rates and scales**
- ** Ensuring a flexible system for retaining rare skills beyond their retirement age**
- **Updating the establishment list to create room for engagement of additional staff for provision of health services**
- **Engagement of the private sector in the provision of health services in view of the brain drain from government to private sector**
- ** Strengthening supervisory support and mentoring to the lower levels of the health care delivery system**
- **Further dialogue on community health worker system so that it could be implemented better.**
- **Strengthening the participation of other key ministries on issues pertaining to health as health outcomes are often influenced by services provided by other sectors**

**Health information management**
A well-functioning health information system is useful for evidence based policy formulation, design, implementation and monitoring of health interventions as well as for health research. Though a draft Strategic plan for health research 2013 -2017 is in place this plan has not been fully implemented. Several technical and financial partners (USG PEPFAR, MCC, WHO and World Bank) have supported the implementation of this strategy. There is, however, no policy or legislation established for data protection, ownership, collection, analysis and dissemination, leading to a plethora of parallel health management information systems that are used by programmes and partners often without any harmonization. (WHO). The recently introduced District Health Information System version 2 (DHIS2) pilot tested in 5 districts shows promise and needs more investment and orientation of management at different levels for appreciation and use. There is a need for Ministry of Health leadership to work towards harmonising the health management information systems in the country.

Lesotho Millennium Development Authority and Partners in Health Lesotho supported the MOH to develop one Electronic Medical Records (EMR). Sixteen health facilities were equipped. But the system does not work well because of lack of professional training, the availability of local and WAN networks with large capacity.
interconnecting hospitals and districts. The absence of a single national identifier also complicates the possibility to have a single EMR for every citizen. Currently only the laboratory and pharmacy databases are referenced in the EMR system. Clinical and medical imaging databases are yet to be established.

Mobile health technologies particularly SMS are used at some health facilities for information and sensitization of the communities on HIV, TB and following women pregnancy, however, these projects are much localized and very limited in coverage. The telemedicine assessment conducted by Telemedicine Africa shows only Queen Mamohato Memorial Hospital use telemedicine with the South African city Bloemfontein to send electronic medical records (EMR) for some transferred patients. This lack of telemedicine use is partly due to the weakness of the network interconnecting the districts. Only 4Mbps managed by the Ministry of Communication are shared by all departments of the Kingdom.

The MOH authorities have clearly expressed their desire to make eHealth a major tool for strengthening the health system and monitoring the SDGs, including data collection and management, telemedicine and e-learning. The 3 year e-Gov project funded by the African Development Bank (AfDB) will facilitate infrastructure for electronic communications all over the country.

Need to capacitate all levels on data and the importance thereof and a strong advocacy on data and data management targeting policy makers, top managers, district managers and health facility managers.

Medical Products, Vaccines and Technologies
Medical products and vaccines save lives, restore health, prevent diseases and stop epidemics, but these products must be safe, effective and of good quality, and used appropriately. To ensure safety and quality of medicine and vaccines, the country needs a good regulatory system. The Ministry of Health has a national regulatory Unit which needs strengthening in order to perform its regulatory role on development, production, importation, exportation and subsequent distribution of medicine and medical products. The National Strategic documents on medical products and vaccines are either in draft or gone beyond their life span: Medicine Policy remains in draft while the Pharmaceutical Services strategic action plan reached its final year in 2012/13. The essential medicines list and the standard treatment guidelines of 2006 are both yet to be finalised.

Weak supply chain management has led to stock outs of critical products especially in the area of vaccines, contraceptives and ARVs which negatively impacts on provision of services. The other factors leading to the stock out include: suspected pilferage and weak capacities on quantification at different levels of the health care system.

Rapid advance in medical technologies for diagnostic and treatment has led to proliferation of myriads of devices. The country needs to have a plan for procurement and maintenance of equipment and also for internal and external quality assurance and accreditation System of Public Health Laboratories.

Lack of a comprehensive and up to date legislative framework for medicines makes it difficult for the country to effectively control the mushrooming medicines distribution points and increases the country’s vulnerability to anti-microbial resistance.

Non-Health System Challenges
High poverty levels and poor road infrastructure affects access for some communities.
Health Systems strengthening and SDG

The SDG most relevant to health is SDG 3: Ensure healthy lives and promote wellbeing for all at all ages. The SDG target of achieving Universal Health Coverage is critical to ensure a comprehensive health systems-focused approach to achieve the health related -SDGs. The target on universal health coverage clearly adopts a much more holistic perception of health, meant to be equally relevant to countries at all different income levels. This, together with the participatory process used to develop the sustainable development goals, has brought about a much broader health agenda that may be tailored to the specific needs of different countries. The fact that low-, middle- and high-income countries all have shared health goals creates new and promising opportunities for cross-country learning and exchange.

While only one of the sustainable development goals speaks directly to health, concerns relevant to health are threaded through many of the other goals. There are obvious linkages between ending poverty and hunger, improving education, ensuring water and sanitation and promoting gender equality and health. But health priorities may also be sustained through several of the other goals. These include:

- Goal 8: decent work for all;
- Goal 11: making cities and human settlements safer and more sustainable;
- Goal 13: combating climate change;
- Goal 16: promoting peaceful and inclusive societies; and
- Goal 10: reducing inequality.

Way Forward - A health systems approach

What is Functioning Health system? It would be a system that delivers quality services on the health continuum to members of the population, when and where they are needed. How it is delivered is also an important question to address. A robust and evidence-based financing mechanism, a well-trained and adequately paid workforce, quality assurance on the quality of care, reliable information on which to base decisions and policies, well-maintained facilities and logistics to deliver quality medicines and technologies are the building blocks of a health system.

Important things to consider for a well-functioning health system is one that responds in a balanced way to the population’s needs and expectations by:

- improving the health status of children, individuals, families and communities
- protecting each member of the population against health threats
- protecting the population against the financial consequences of ill-health
- providing equitable access to a person-centred care.

The African Union Health Strategy (2007), and the Africa Health Leadership and Management Network (AHLMN), through its constitution, emphasize the critical importance of strengthening leadership, management and good governance at all levels of the health system. Given the increasingly dynamic and interdependent post-MDG world, new ways of doing business are required to improve national health. This needs to be underpinned by complex systems thinking and building of capacity at all levels of the system. To transform the system and institutions that strive to strengthen the provision of quality health care for children, youth, women and men in Lesotho, will require visionary and courageous leadership that stress the need for strong
organizations and institutions, network with others to enhance shared learning, and collaborate with external donors and experts as needed to create and support the learning process.

Some Key Questions:

- How can the UN, donors, and recipient organizations more fully engage and collaborate as equal partners while exercising mutual respect in prioritizing needs, developing plans, implementing interventions, and modifying approaches based on changing environments to support the GOL in strengthening the health system?
- How can we best integrate systems sciences, organizational studies, and institutional analysis approaches and methods into health education, policy, practice, and evaluation?
- How can we create institutions that ensure effective dialogue and collaboration between public and private sectors, with effective government oversight?

Sources of information:

- (WHO) refers to findings of the WHO Scoping mission of 2016.
- (WB) refers to data from World Bank website
- (DHS 2014) refers to data from Demographic and Health Survey 2014
- Health Systems Assessment 2011 (MOH)

SESSION FORMAT AND SPEAKERS

Opening Statements (5 minutes each):
Hon. Dr. Molotsi Monyamane, Minister of Health, Chair
Dr. Julitta Onabanjo, UNFPA East and Southern Africa Regional Director, Co-Chair

Keynote Speaker:
Dr. Prosper Tumusiime, WHO Regional Office for Africa, Health systems overview and their role in achieving the Sustainable Development Goals

Panellist statements (5 minutes) and facilitated discussions

Dr. Letsie Nyane DG MOH: What core Stewardship actions are needed by (i) the MOH/GOL, (ii) Partners at central, district and community level or strengthening the health systems in order for Lesotho to achieve its health SDGs?

Dr. Anthony Asjie: UNICEF Chief of Health in Lesotho Country Office: What Challenges are encountered in building resilience in Health Development agenda in an Emergency situation: How are the challenges being addressed - Lessons from Liberia
Dr. Abera Leta Executive Director PiH: What mechanisms will be needed to hold each stakeholder accountable for their roles in Health Systems Strengthening towards achieving the Health SDGs?

Expert Contributor: By the First Lady Mrs. Mathato Mosisili
Concept Note for Session 2: Environment and Climate Change

Session Chairs: Hon. S. Mochoboroane, Minister of Energy and Meteorology of Lesotho  
Mr. David Phiri, Sub-Regional Coordinator for Southern Africa and FAO Representative in Zimbabwe, Botswana and Swaziland

Session Facilitator: tbc

Session Objectives: The key objective of the Session on Environment and Climate Change is to provide a platform for dialogue on the key environmental and climate change related challenges facing Lesotho, their impacts on the country’s development and sustainable livelihoods of the Basotho and to make recommendations for possible mechanisms and options to develop a climate resilient nation.

Session Rapporteuses:  
Mr. Christoph Oberlack, Humanitarian Coordination Officer, RCO  
Ms. Suzan Martin, Emergency Coordinator, WFP  
Mr. Limomane Peshoane, Sustainable Development Specialist, UNDP  
Mr. Mafamo Pholo, World Vision, Lesotho

BACKGROUND

Lesotho is a small mountainous landlocked country, with fragile ecosystems due to its rugged terrain and highly variable climate including erratic rainfall, and now with increasing impacts of climate change Basotho’s livelihoods are increasingly becoming vulnerable. Most of Lesotho’s population resides in rural areas, and 80% of which depends on subsistence farming and informal sector activities in rural areas that contributes only around 10% of the GDP. This heavy dependence on agriculture coupled with increasing pressures on limited natural resources is resulting in a serious and exacerbating challenge of land degradation and increasing vulnerability of ecosystems that support rural livelihoods. The land degradation is a serious concern in Lesotho threatening biodiversity and agricultural productivity, thus increasing the vulnerability of households that depend on agriculture and natural resources for their livelihoods. This contributes to the high levels of poverty and food insecurity across the country. It is estimated that Lesotho is losing about 40 million tonnes of topsoil every year, with concomitant losses in soil fertility and further reduction of an already small arable land. Less than 10% of country total land area is considered arable.
As a result of above-mentioned challenges and increasing impacts of climate change such as frequent droughts and flooding, a large population of Basotho is always at the verge of food insecurity while on average 25% of Lesotho’s population faces humanitarian food crisis each year since year 2005, (see below).

**Figure 1: A 10 Year Trend of Levels of Vulnerability**

![Graph showing levels of vulnerability from 07/08 to 16/17](image)

Source: Annual LVAC reports

This situation requires Government of Lesotho to mobilize huge amount of resources to address humanitarian food insecurity crisis on annual basis. For example, during 2010/2011 rainfall season, Lesotho experienced countrywide flooding, whose effects were estimated at $66 million, which was equivalent to 3.2% of GDP. Recently, a severe drought of 2015/2016 season has left 679,437 people at risk of food insecurity with 70% of them already requiring lifesaving and livelihood interventions. The 2016 Vulnerability assessment has an estimated gap of 50,799 MT of food or M503,739,000 (US $32,924,117). Despite the increasing trends of vulnerability, humanitarian response and resource mobilization continue to decrease. So far, the humanitarian resource mobilization for the 2016 El Nino drought has been around US $12.7 million, representing around 20% of the humanitarian needs identified so far. Following the establishment of the latest Humanitarian Needs Overview, a revised response plan is in preparation with likely increased financial requirements. Again, it will be noted (see below) that there is a general increase of food deficit each year and on average around 30 metric tonnes is required annually, is equivalent to a financial deficit of around $15 million to address humanitarian crisis in Lesotho since 2006.
OBJECTIVES AND EXPECTED OUTCOMES OF THE SESSION

The key objective of the Session on Environment and Climate Change is to provide a platform for dialogue on the key environmental and climate change related challenges facing Lesotho, their impacts on the country’s development and sustainable livelihoods of the Basotho and to make recommendations for possible mechanisms and options to develop a climate resilient nation.
Specifically, the Session on Environment and Climate Change will seek to achieve the following outcomes, amongst others;

- Establish a common understanding and appreciation of the environmental and climate change related challenges confronting Lesotho,
- Shared understanding of resilience-building as the sustainable solution to addressing the multi-faceted challenges posed by climate induced shocks and stresses.
- Committed governance structures to ensure quick and timely response to emergencies in a sustained manner.
- Identification of set of tools and approaches to reduce risk and promote sustainable livelihoods for the Basotho, including information management and increased surveillance data.
- Shared understanding of the opportunities for funding environmental management and sustainable livelihoods.
- Outline of key recommendations and actions points of the session to feed into the outcome statement of the High Level Round table.

KEY ISSUES/ QUESTIONS TO BE ADDRESSED

- How can Lesotho build its resilience so that its environment can sustainably support livelihoods and reduce vulnerabilities?
- How we can ensure timely and effective humanitarian response to crisis and that such support builds resilience of communities and reduce dependence from external support.
- How can Lesotho position itself to achieve critical targets for the key SDGs related to Agriculture, Natural Resources Management and Environment including honoring commitments to the COP 21.
- What are the options for funding sustainable environmental and natural resources management and sustainable livelihoods?
- How can the most chronically vulnerable Basotho become resilient to the recurrent shocks? What is needed to eventually achieve this and what is the role of Government, Development Partners and communities?
- How can Lesotho develop capacities for research documentation and data sharing to ensure evidenced based planning, monitoring and reporting of global environmental and climate change commitments.

There will be no power-point presentations and panelists are required to make opening statements of up to 5-7 minutes on their topics and submit a background paper of up to 10 pages.

Before opening the session for discussions, the Co-chairs may allow 3-5 minutes for pre-identified ‘Privileged Contributors’ from the floor. ‘Privileged contributors’ may include key sector representatives (such as private sector, IDPs, civil society, academia) who may not have been represented among the speakers but whose statements could enhance the open discussions.
SESSION FORMAT AND SPEAKERS

*Opening Statements* (10 minutes each)

**Hon. Mr. Selibe Mochoboroane**, Minister of Energy and Meteorology, Government of Lesotho: “Climate Change and its Impact on Lesotho”

**Mr. David Phiri**, FAO Sub-Regional Co-ordinator for Southern Africa and Representative in Zimbabwe, Botswana and Swaziland

**Keynote Speaker** (10 minutes)

Ministry of Tourism, Environment Culture: State of the Environment of Lesotho: Key Environmental challenges, underlying causes, effects and impacts and key required urgent actions for sustainable environmental management

**Panellist statements (5 minutes) and facilitated discussions**

**Ms. Federica Dispenza**, Resilience Advisor to RIASCO, UNDP Southern Africa: Approaches to Sound Environmental Management and Building a Resilient Nation:

**Ms. Joyce MulilaMitti**, FAO
“Promoting Climate Smart Agriculture to Enhance Food Security and Sustainable Livelihoods”

**Ms. Phemo Karen Khomotso**, Regional Technical Specialist - UNDP/GEF. Options and Opportunities for Funding Sustainable Environmental Management in Lesotho

**Disaster Management Authority**
Towards an effective disaster management system for Lesotho: The Experience of Lesotho

There will be no power-point presentations and panelists are required to make opening statements of up to 5-7 minutes on their topics and submit a background paper of up to 10 pages.

Before opening the session for discussions, the Co-chairs may allow 3-5 minutes for pre-identified ‘Privileged Contributors’ from the floor. ‘Privileged contributors’ may include key sector representatives (such as private sector, IDPs, civil society, academia) who may not have been represented among the speakers but whose statements could enhance the open discussions.
Concept Note for Session 3 / Part A: Socio Economic Outlook and Challenges in Lesotho

Transformation and Reform: The Path to Lesotho’s Sustainable Development
Government of Lesotho – United Nations High-Level Roundtable
SESSION 3 / Part A: Socio-economic outlook, 15 July 2016, 08:00 – 10:15

Session Chairs: Hon. Mr. Mokoto Hloaele, Minister of Development Planning
Mr. Abdoulaye Mar Dieye, UNDP Assistant Administrator and Director, Regional Bureau for Africa, Chair of UNDG Africa

Session Facilitator: Ms. Diana Ofwona, UN Women, Regional Director, ESARO, Facilitator

Session Objectives: To review the current socio-economic outlook and challenges facing Lesotho and the underlying contributory factors thereof and provide a platform for multi-stakeholder discussions on three priority issues to help identify policy solutions to address them so as to put Lesotho back on track for inclusive, sustainable and high job-creating growth

Session Rapporteurs: Ms. Mabulara Tsuene, UNDP National Expert
Mr. Sipho Ndlouvu, ILO, Senior Programme Officer

Introduction

The Kingdom of Lesotho is currently at a crossroad facing multiple and mutually-reinforcing development challenges such as a humanitarian crisis brought on by the El Nino weather phenomenon, an uncertain socio-economic outlook compounded by lower growth prospects globally and in South Africa, long-term environmental degradation and climate change, as well as the continuing effects of political instability. The situation strikes at the very roots of the country’s progress and threatens to reverse hard-won development gains with serious consequences for the lives and livelihoods of hundreds of thousands of Basotho. This note provides the background for the Socio-Economic Outlook Session of the High Level Roundtable Discussions that is meant to elicit wide stakeholders’ views on strategic issues that need to be addressed by the country going forward. It reviews the current socio-economic trends and highlights the major challenges confronting the country which are constraining high sustainable, inclusive and job creating growth in the country. The High Level Roundtable Discussions are timely as the country is embarking on formulating its new National Strategic Development Plan 2 and is about to roll out the Global Sustainable Development Goals.
Current Context
After several years of stable growth with moderate inflation, the economic situation in Lesotho has been deteriorating since 2014. The lower growth prospects in South Africa and in the region, as well as the lower global growth prospects have been impacting Lesotho. Real GDP growth decelerated from an average of around 4.5% for the period 2010-2014 to an estimated 2.9% in 2015, but is expected to increase modestly to 3.1% in 2016\(^3\), due mainly to the pickup in mining and quarrying, transport and communication and wholesale and retail sectors. Financial intermediation and manufacturing sectors are, however, expected to slow down. Agricultural sector is expected to record a further decline of 7.6% owing mainly to adverse effects of the El Nino weather pattern. Domestic uncertainty and spillovers from the economic slowdown in South Africa are impacting the economy. Inflationary pressures have also been building up, mainly due to the rapidly increasing food prices and currency depreciation. Annual inflation rate which has been hovering around 3.2% in 2015 is expected to touch 6.9% in 2016\(^4\), before declining modestly in the medium-term.

The fiscal situation continues to be a matter of major concern and has been worsening, driven mainly by government expenditures of over 60 percent of GDP in recent years, the bulk of which goes to recurrent expenditures, and the sharp fall in SACU revenues. The Government wage bill alone accounted for 47% of the total current expenditures in 2015. This, combined with Lesotho’s heavy reliance on the volatile SACU revenues (which declined to 23% of GDP in 2015 and is expected to drop further to 17% of GDP in 2016-17) to finance large Government expenditures, poses a major challenge for the country. Government’s capital expenditures have come down in the recent years mainly due to a decline in grants from development partners and lower capital spending. The lower increase in revenues coupled with higher growth in total expenditures have put a strain on fiscal operations. 2015 closed with a lower fiscal deficit of 1.2% of GDP as compared to a larger projected deficit of 6.3% of GDP in 2016, mostly due to the substantial fall in the SACU revenues and overall decline in total government revenues by 3.3%\(^5\). Recurrent expenditures are projected to remain fairly elevated, while capital spending will remain subdued over the period 2016-2018. The current fiscal stance is unsustainable in the medium to long-term and there is urgent need for fiscal adjustment and public sector reforms. Public debt has risen to 59.5 percent of GDP due to the recent currency depreciations. Though, the bulk of that is concessional multilateral foreign debt (around 82%) with moderate risks of debt distress, the recent depreciation of the Rand against foreign currencies in which the debt is denominated, poses some risks.

The slower growth in international reserves and low absorption of the development budget had a bearing on Lesotho’s monetary policy in 2015. The monetary and financial sectors in Lesotho are expected to support economic growth. Money supply is projected to grow at an average rate of around 7% in the medium-term, driven mainly by growth in private sector credit which is expected to grow on an average by 14.2%\(^6\). Lesotho’s financial system has close linkages with South Africa as the country is a member of the Common Monetary Area (CMA) and has pegged its local currency Maloti to the South African Rand. South Africa’s monetary and

\(^3\) Economic Outlook 2015-2018, July 2016, Central Bank of Lesotho
\(^4\) Economic Outlook 2015-2018, July 2016, Central Bank of Lesotho
\(^5\) Economic Outlook 2015-2018, July 2016, Central Bank of Lesotho
\(^6\) Economic Outlook 2015-2018, July 2016, Central Bank of Lesotho
exchange rate policies have a close bearing on Lesotho’s monetary developments and are reflected in the domestic prices and interest rates. The pegging of the Maloti to the South African Rand (ZAR) under the CMA has besides facilitating trade and financial integration with South Africa, also served Lesotho well in the past by anchoring expectations of continued macroeconomic stability, even during periods of fiscal difficulties, such as periodic downturns in SACU revenues. However, in view of the likely drop in foreign exchange receipts from the sharp reduction in SACU revenues, there is an urgent need to implement appropriate fiscal measures to ensure that international reserves continue to fully meet commitments under the CMA with adequate buffers. Domestic inflation in Lesotho continued to track that of South Africa, which is the major source of imported consumer goods for the country.

The external sector is projected to deteriorate from a surplus of 6.4% of GDP in 2015 to an average deficit of 3.1% of GDP over the period 2016-2018 owing to various factors such as the large expected decline in SACU revenues, weak global demand and the downturn in South Africa. Exports of goods are expected to increase by around 16.0% in 2016 before slowing down to an average annual growth of 4.0% during 2017-2018. Depreciation of loti against the US dollar is set to benefit exporters in 2016. While diamond mining exports are expected to rebound, textiles and clothing exports are expected to remain under pressure. Lesotho’s textile industry has been losing its market share in the U.S. to competitors in Africa and Asia. The African Growth and Opportunity Act (AGOA) is responsible for approximately 40,000 jobs in Lesotho (80% of textile jobs). AGOA was recently extended for 10 years. However, Lesotho, like all AGOA recipients remains subject to annual eligibility requirements, and ongoing concerns regarding governance, human rights, and rule of law have led to doubts concerning Lesotho’s continued eligibility. Furthermore, Lesotho’s government has expressed concerns that the Trans-Pacific Partnership Agreement among several Pacific countries and the U.S. will provide additional competition in the textile industry for Lesotho. The country, as an LDC, is eligible for “Everything but Arms” (EAB) free trade arrangement to the EU. However, this arrangement is virtually unexploited. Furthermore, Lesotho has recently signed the SADC-EU Economic Partnership Agreement, allowing duty free and quota free access to the EU market. The Agreement is yet to be ratified. Going forward, the country has to look at diversifying its products and exports markets. Imports of goods and services are expected to go up by 9.0% on average during 2016-2018. The flow of foreign direct investment (FDI) into Lesotho dropped to US$ 46 million from US$ 50 million in 2013 and is expected to be further affected by the recent political and security developments.

Lesotho is characterized by public sector-led growth, low diversification of the economy and a small and weak private sector which constrains growth, and job creation and limits government resources for development purposes. The main drivers of growth are project-based, such as those funded through the Millennium Challenge Account (MCA). Private sector growth is constrained by various factors such as unfavorable business environment characterized by limited access to credit, poor quality of infrastructure, difficulty in obtaining construction permits, limited broadband internet, low firm-level technology absorption and limited market size. The World Bank’s Doing Business Report 2016 ranked Lesotho 114 out of 189 countries which marks a decline from its ranking of 110 in the 2015 report. Achieving overall job creating and inclusive growth depends highly on creating conducive conditions for the private sector growth. In line with the National

7 Kingdom of Lesotho, IMF 2015 Article IV Consultation Report, February 2016
Strategic Development Plan (NSDP) 2012/2013-2016/2017, there is a need for promoting private-sector development in sectors with potential for high employment.

Poverty, inequality and unemployment continue to be the major development challenges facing Lesotho. More than half of the population in the country are living below the poverty line and poverty is more persistent in the rural areas, with heavy dependence on subsistence farming. The incidence of poverty has gone up from around 55.0% in 2002/03 to an estimated 57.1% in 2010/11 while Gini coefficient went up from 0.51 to 0.53 during the period. This indicates that economic growth has not been inclusive, with the incidence of poverty virtually unchanged from a decade ago. In terms of income inequality, Lesotho ranks among the top 10 countries in the world. The limited impact of growth on livelihoods and access to social services has also contributed to income and rural-urban inequalities. Lesotho’s Gini Coefficient at 0.53 masks deep regional, gender and educational inequalities. Several factors have contributed to increase in poverty and food insecurity such as recurrent droughts, unemployment, high illiteracy, illness, large families, high income inequality, malnutrition and high retrenchment of Basotho’s from South African mines. Lesotho is classified as a low human development country with a HDI value of 0.497, ranking it 161 out of 188 countries in 2014 (UNDP HDR, 2015). Lesotho’s 2014 HDI is below the average for countries in the low human development group (0.505). Unemployment rates have also remained high (around 24% in 2008), especially among the youth. Lesotho has a large social protection program to reduce the risk of poverty among the marginalized groups and to strengthen resilience of children, the disabled, destitute families and communities. The country spends around 9.6% of GDP on social transfers well above that of 1-2% in many developing countries.

Progress on some socioeconomic indicators has been positive but not rapid enough to achieve the targets of the Millennium Development Goals. The unfinished business of MDGs in Lesotho relates mainly to health and poverty indicators, amongst others. The country has the second-highest HIV/AIDS prevalence in the world at around 25%, with just under one in four people in Lesotho living with HIV. The high prevalence of HIV/AIDS makes poverty alleviation and infant/maternal health efforts all the more challenging. The high rate of HIV/AIDS and high unemployment have also contributed to Lesotho’s extremely slow progress in the areas of eradicating extreme poverty, reducing child mortality, improving maternal health, amongst others. Lesotho has committed to addressing the unfinished business of the MDGs and implementing the Sustainable Development Goals (SDGs) and has initiated the process of rolling out SDGs which will comprise of prioritizing and localizing the SDGs and mainstreaming them into its national policies and plans going forward.

Lesotho is prone to drought, making it highly vulnerable to the effects of climate change impacting its agricultural production. Lesotho recently went through one of its worst droughts on record, due to El Nino with large-scale impacts on crop production, food security and malnutrition, water scarcity, health, migration, protection, rural employment, incomes and livelihood. The Government declared a drought emergency on 22nd December 2015 and initiated actions to tackle it.
Development Challenges

Some of the major development challenges facing the economy which need to be tackled going forward are:

- **Vulnerability**: External factors, such as global economic shocks, and climate change events continue to impact the country and the region. Lesotho's economy is highly dependent on the South African economy and global markets.

- **Job-less and non-inclusive economic growth**: The country has witnessed relatively high growth rates of around 4.0 to 4.5% in the past which however, did not benefit a large section of the population nor result in significant additional employment creation to tackle unemployment. Lesotho was Africa's third worst performer in terms of shared prosperity\(^8\) over the past decade. Efforts to promote inclusive growth were constrained by several factors such as the high HIV prevalence (24% of the total population) and the volatility of receipts from the Southern African Customs Union (SACU), which earlier financed around 50% of the budget.

- **Unemployment**: High unemployment, particularly youth unemployment, poses a major challenge calling for urgent steps to address it.

- **Model of Growth**: Government plays a dominant role in the economy and the country has a weak and small private sector. The public-sector has been a key driver of employment creation in Lesotho. However, this model is no longer sustainable due to the falling SACU revenues which in the past supported public sector expansion and employment. There is a need for change in the Economic Growth Model from public-sector to private-sector led growth through creating favorable business, trade and investment climate (including addressing security issues) for a competitive private sector to become the engine of growth and job creation. The private sector development is also constrained by other factors such as the sector is not organized properly and due to the absence of dialogue between the public and private sectors.

- **Fiscal Operations**: The deterioration in the fiscal situation is a major cause for concern. The growth in public expenditures, particularly public sector wage bill, coupled with the declining SACU revenues and limited sources for revenue mobilization, and a large and ineffective public sector calls for scaling up Fiscal and Public Sector Reforms and for creating a strong and efficient public sector to support private sector growth.

- **Economic Diversification**: Broad based economic growth is a challenge as Lesotho has depended heavily on few sectors such as textiles and clothing (supported by preferential trade agreements such as AGOA), financial services and mining (with no value addition) to drive its growth. The agricultural sector which contributes around 8% to GDP is characterized by low productivity and low value addition. Lesotho is a consumption-led economy, with a low savings rate. The lack of diversification is due to various factors such as lack of infrastructure and skilled manpower resources, technology and innovation, access to finance, etc.

\(^8\) Measured by the annual growth in consumption per capita among the bottom 40% of the population( Lesotho: Systematic Country Diagnostic, The World bank Group, June, 2015)
- **Policy Ineffectiveness**: Lesotho spends almost half of its budget on social sectors. The persistent poverty and rising inequality, despite heavy social sector investments (with support for international donors) are a cause for concern calling for a deeper analysis of the fundamental causes of the limited effectiveness of the current interventions. Despite high public spending on health, education and social protection there is no commensurate outcomes because of factors such as the poor quality and ineffectiveness of the public expenditures. This is reflected in low social indicators, human development outcomes and achievement of MDGs.

- **Education and Skills Mismatch**: Lesotho is characterized by educational sector challenges such as quality issues, curriculum and funding issues, non-responsiveness of the system to the changing needs of the economy (skills-mismatch), etc, impacting competitiveness, efficiency and productivity of the economy. Lesotho also faces challenges relating to brain drain of its educated population to South Africa.

- **Regional Integration and Trade Facilitation Issues**: Simple, transparent trade procedures are key to trade facilitation and are vital for economic growth. Outdated bureaucracies suppress trade and entrepreneurship, discourage investment, and encourage corruption. Small and medium enterprises (SMEs) are particularly vulnerable to these difficulties because costs related to such procedures represent a larger portion of the turnover of such firms. A lack of transparency in rules and procedures is often enough to dissuade SMEs from exporting altogether. Inefficient trade procedures thus create clear barriers to trade and regional integration.

- **Health and Gender Issues**: Lesotho faces several health issues such as the high prevalence of HIV/AIDs, rising maternal mortality and non-achievement of child mortality targets. As regards gender equality and empowerment there are challenges such as the non-implementation of bills relating to women, role of women and potential not being fully exploited, etc.

**Constraining Factors**
Some of the reasons why policies, especially social, are not yielding desired outcomes in Lesotho despite large investments are the lack of political will, lack of policy implementation, attitudes and mindset, governance issues relating to public sector such as lack of transparency, weak internal control and accountability, strong externalities and lack of resilience of the systems, non-alignment of government budget allocations/expenditures to the NSDP (NSDP not costed) and the lack of oversight of implementation of NSDP

**Priority Areas for Roundtable Discussions**

I) Promote Productive Employment
II) High shared/Inclusive Growth
III) Private Sector Development

Fiscal sector and Governance reforms (lack of transparency, weak internal control and accountability) is a cross cutting issue.

**OBJECTIVES AND EXPECTED OUTCOMES OF THE SESSION**
The major objectives of the Socio-economic Session are to review the current socio-economic outlook and challenges facing Lesotho and the underlying contributory factors thereof and provide a platform for multi-stakeholder discussions on three priority issues to help identify policy solutions to address them so as to put Lesotho back on track for inclusive, sustainable and high job-creating growth
Specifically, the Socio-economic outlook session will seek to achieve the following outcomes, amongst others;

- Facilitate a shared understanding and appreciation of the critical socio-economic challenges confronting Lesotho and the underlying factors thereof.
- Provide a platform for multi-stakeholder exchange of views and ideas on the priority issues to help find plausible and sustainable solutions to address them.
- To facilitate common understanding of the issues and challenges and ways to tackle them to support the country in formulating its NSDP II and rolling out SDGs going forward.

KEY ISSUES/ QUESTIONS TO BE ADDRESSED

(i) What are the necessary conditions and steps for the private sector to promote job creation? How can good governance facilitate this?
(ii) How can Development Partners assist in addressing the employment challenges?
(iii) What are the challenges constraining Lesotho from maximizing opportunities for High Shared/Inclusive Growth? What key measures are required to address them?
(iv) What are the major binding constraints hindering private sector development and what key measures are required to build a strong and competitive private sector?
(v) What are the major challenges relating to fiscal policy and public sector reforms in the country and what needs to be done to address them to promote inclusive and sustainable development?

SESSION FORMAT AND SPEAKERS

Opening Statements (5 mins each):

Hon. Mokoto Hloaele, Minister of Development Planning
Mr. Abdoulaye Mar Dieye, UNDP Assistant Administrator and Director, Regional Bureau for Africa, Chair of UNDG Africa

Keynote Speaker (10 mins):
Ms. Rets’elisitsoe Adelaide Matlanyane, Central Bank Governor

Panellist statements (5 minutes each) and facilitated discussions

Hon. Mohl. Molahlehi Letlotlo, Minister of Social Development
Mr. Guang Chen, WB Country Director in RSA
Ms. Motena Tsolo, Chief Executive Department of Economic Policy, Ministry of Finance
Mr. Tseko Bohloa, Member of Lesotho Chamber of Commerce and Industry
Concept Note for Session 3 / Part B: Governance Reforms

Session Chairs: Hon. Adv. Lekhetho Rakuoane, Minister of Home Affairs of the Kingdom of Lesotho
Mr. Abdoulaye Mar Dieye, UNDP Assistant Administrator and Director, Regional Bureau for Africa, Chair of UNDG Africa

Session Convener/Facilitator:
Mr. Lira Ralebese, Deputy Principal Secretary, Ministry of Law, Constitutional Affairs and Human Rights (MLCAHR)

Sessions Co-Conveners/Co-facilitators:
Mr. George Wachira, Peace and Development Advisor UN Lesotho and Head, Governance and Peace Building, UNDP Lesotho;
Mr. Clever Nyathi, Consultant, Dialogue and Consensus-building Advisor, UNDP Lesotho

Session Rapporteurs:
Ms. ‘Mapoulo Maseela, Director of Human Resources, MLCAHR
Mr Johan Bogh, UNDP Lesotho

Background

The Kingdom of Lesotho will be celebrating 50 years of political independence in October 2015. The political/governance journey to this historic Jubilee has been a chequered one characterised by cyclical periods of hope and despair. It has been dominated by the often divisive political traditions and includes an 8-year period of military rule. The last 25 years since the end of military rule have seen a commendable entrenchment of democratic governance in the country. There have also been significant challenges including the perception of continued military incursion into politics; entrenched political divisions and weak inter-party democracy that usually resulted in the splintering of political parties; political instability; and incidences of insecurity.

The introduction of the Mixed Member Proportional (MMP) electoral system in 2002 has led to a significant change in the electoral landscape and to peaceful alternation of power between administrations of different political leanings. More recently, this electoral system, accompanied by a proliferation of political parties, has led to the emergence of coalition politics, with the last two elections failing to produce an outright winner. Where effective, coalitions can be the basis for building a common cause and can create a sense of broad
inclusion and citizen participation in the government’s agenda. In the case of Lesotho, this turn to coalition politics has become a “stress test” to political stability and governance, political negotiation and consensus-building. Questions have arisen as to whether, the political culture, the Constitution, and State Institutions are geared towards this new trend. The demise of the 3-party first Coalition Government (2012 -2014) and the election of a new 7-party coalition government in February 2015 attests to the new trend of a nascent coalition governance and its attendant challenges. A key challenge is that of ensuring stability and continuity in the face of political shifts. The need for various governance and institutional reforms which could cushion against political uncertainty and changes, has become increasingly apparent. Without reforms, Lesotho’s development agenda will remain too beholden to its political fortunes.

The challenge of political uncertainty – and frequent security incidents such as those experienced in 1998 and between 2014 and 2015 – have been the subject of several interventions, reports and communiques. In the June 2015 Final Facilitator’s Report, the SADC Observer Mission to the Kingdom of Lesotho (SOMILES) recommended that Lesotho’s political and security challenges called for urgent reforms. Some of these “urgent” reforms are outlined in the “Conclusion” section of the “Proposals on Constitutional and Institutional Review for the Kingdom of Lesotho” in the Facilitator’s Report and include, among others, amendments to the Lesotho Defense Force and the Lesotho Mounted Police Service acts to remove overlapping mandates; implementation of recommendations on coalition governments and the reform of the civil service; analysis of the MMP electoral system and its implications; ensuring the independence of the judiciary; and relevant constitutional reforms.

Political instability and security uncertainties are also well noted by the Phumaphi Report of 2016; by the African Union in recent (2016) communiques; by the Commonwealth through the New Zealand Report (2014) as well the efforts of the Commonwealth Special envoy to Lesotho; and by the Prime Minister in his 20 June 2016 address to Parliament. In total, the environment of political uncertainty and unpredictability is negatively impacting the socio-economic outlook of the country through diminished investor confidence. A direct link between governance reforms, employment and development has been made by Lesotho’s development partners who have conditioned continued support on governance and institutional reforms. This has highlighted the criticality of institutional and governance reforms in the country.

Recognising the urgency of reforms, the post-2015 election Coalition Government, through the “Coalition Agreement for Stability and Reform”, pledged to be a “reformist government.” In the agreement, the government commits to “establish mechanisms to review Lesotho’s Constitution to ensure that it is fit for purpose to enable peace, stability and good governance. The review process will include an examination of the protection of the principle of separation of powers and the safeguards necessary in statutory appointments for the Judiciary, the Independent Electoral Commission, the Ombudsman, Armed Forces, the Police and the Government Secretary and Principal Secretaries, and all other statutory positions.”

In spite of this convergence of the need for reforms, questions remain. How can the current government engage all Basotho on the need and content of these reforms? While, objectively speaking, the need for comprehensive reforms may be obvious, are current calls for reforms fully and inclusively owned by Basotho or are they largely limited to exogenous entities? Has the government done enough to mobilize Basotho and build consensus on reforms? Has there been public debate and consensus on the needed reforms including,
for example, why and what in the current constitution needs to be changed? How can all Basotho – including political parties, civil society, and national institutions – become the drivers of the reforms towards the Lesotho they want? When fully driven by all Basotho, the reforms could engender national ownership, deepened democratic governance, foster national healing and reconciliation, and societal and national development.

**Governance Reforms, Peace, stability and Development**

The Lesotho, *National Strategic Development Plan 2013 – 2017* notes that “Sustained levels of investment, whether domestic or foreign, cannot take place in a politically unpredictable and socially unstable environment. Peace and stability are therefore sine qua non for accelerated economic and social development”; and that “Lesotho needs a clear and predictable legal and regulatory environment that is characterized by the rule of law, respect for human rights, efficient law enforcement agencies and an independent judiciary that dispenses justice quickly and impartially.”

This thematic session on Governance Reforms launches from an assumption that there is a strong link between good governance, peace, stability and national development; and that where this alignment is weak or tenuous, then reforms are called for. Indeed, it is widely recognised that good governance is a key factor in achieving faster economic growth and development, and that the quality of governance, including accountability, transparency, inclusion, efficiency and effectiveness, are important factors for stability and social cohesion. Respect for the democratic process (which goes beyond mere elections); rule of law and accountability for breaches; upholding human and all fundamental rights; gender equality at all levels; bureaucratic and institutional independence, predictability, consistency and dependability; etc., are pillars of good governance. There is strong empirical evidence that the quality of governance in a country is a strong determinant of growth, peace and stability.

While each of the challenges facing Lesotho would require specific and focused responses, it is inescapable that improving all aspects of governance is at the core of how the country moves forward. In particular, long-term socio-economic fortunes of the country depend partly on improved management, building the confidence of investors and international development partners, and the ability to bring on board new drivers of growth including expanding the private sector. In the short term, improved management, restoration of political stability and the execution of urgent reforms, are necessary. Overall, the following assumptions underpin the discussion on governance reforms:

- Good governance is central to all other aspects of people’s lives including economic development. Strong, stable, responsive and accountable institutions of governance empower citizens to take control of their development, claim their rights, demand accountability and take corrective measures peacefully.

- While capacity building of institutions is aimed to ensure that those institutions remain people-centred and contribute to the empowerment of citizen, individual institutions are a part of a system that is intended to function in harmony in order to deliver as a whole. For example, the functioning of the judicial system could be undermined by rampant corruption in the absence of a strong, independent anti-corruption institution. Justice could also be undermined by acts of commission or omission by other institutions, for example an over-bearing and manipulative
Executive, or an intimidating and defiant security apparatus. Similarly, given the predominance of government spending as a driver of the national economy, the efficiency, integrity and effectiveness of the public sector, including the management of public finances, is a key factor in the country’s development. Interventions in support of good governance must therefore pay attention to the broader institutional context and linkages, the knock-on effects, and recognize the system-wide reform and re-engineering necessary to respond to needs of citizens and sustainable development.

- Equally important, in a political context such as Lesotho’s, investing in social cohesion, sustaining peace and preventing conflict calls for a capacity to continuously work at the structural, policy and systemic causes of social/political discord; and working proactively to ensure the respect and protection of citizens’ rights, fair treatment of all, access to justice and assurance of corrective measures where a breach has occurred. Particular attention to gender equality and the rights of women is a hallmark of good governance.

In summary, reforms have to be comprehensive, all-inclusive, and system-wide.

Over the years, various actors have worked with the Government of the Kingdom of Lesotho in support of good governance. Specifically, the UN system in Lesotho and other development partners (USAID, European Union, Irish Aid, GiZ, the World Bank, The Commonwealth, among others) have supported good governance through the capacity building of accountability institutions, improved electoral processes, public sector reforms, public finance management, effective functioning of parliament and enhanced promotion of human rights.

In spite of these efforts, challenges remain including overall weak constitutional, legislative and policy frameworks. International good-practice requires that oversight institutions should be independent, have clear and discreet mandates in relation to those of others, and be well-resourced in order to effectively play their roles. A key challenge in Lesotho is slow service delivery and low uptake or absorption of available resources. This points to needed review and rationalization of the public service which whose effectiveness is affected by the high turn-over particularly after each electoral cycle; and inadequate performance management systems; among others.

Objectives of the Session on Governance Reforms

The principal objective of the Session on Governance Reform Agenda is to provide a platform for dialogue on the need, status, progress and challenges of governance and other reforms in Lesotho. Specifically, the session will (i) discuss factors contributing to challenges of governance and needed reforms; (ii) develop inclusive suggestions for moving forward Lesotho’s reform agenda for sustainable development; and (iii) explore and articulate possible mechanisms for strengthening confidence and consensus among Lesotho stakeholders the reform agenda in line with the Government’s stated intention to engage all stakeholders in pursuit of a new constitution.

Session participants will include the Government of the Kingdom of Lesotho; the United Nations Development Group Regional Directors Team (R-UNDG) and the UN Country Team; and stakeholders including political, private sector, civil society and faith leaders; and scholars.
Expected Session Outputs
At the end of the session there shall be two documents prepared:

- Consensus reached on key governance challenges and the next steps to addressing them;
- A Summary of Recommendations prepared for presentation by the Co-Chairs at the High-Level Wrap-Up and Commitment Session

Key Questions to Be Addressed
The following questions will guide the presentations and discussions of the session:

- What factors have contributed to the challenge of stability and governance of the kingdom and what can be done about it?
- Does Lesotho need to review or re-write its constitution? How can a new constitution contribute to Lesotho’s stability and development?
- What are challenges facing public service delivery in Lesotho and what needs to be done?
- Does Lesotho need to review its current electoral and political systems and why are political coalitions the future for Lesotho?
- What needs to be done to expand national consensus and ensure all Basotho participate in the reform process?

Session Format and Speakers
2. There will be opening statements by the Co-Chairs followed by a moderated panel discussion. The panelists will be allowed 5 minutes to make opening statements and may be asked follow-up questions by the session Facilitator(s). The Facilitator(s) will lead a discussion among the panelists and then hand over to the Co-Chairs to moderate discussions among the session participants. The Co-Chairs may allow short closing statements by the panelists.

**SESSION FORMAT AND SPEAKERS**

*Opening Statements: (5 minutes each)*
Hon. Adv. Lekhetho Rakuoane, Minister of Home Affairs: “Overview of the Lesotho’s Reform Agenda, progress so far and the way forward”, Chair

Mr Abdoulaye Mar Dieye, Assistant Administrator and Director of the Regional Bureau for Africa at UNDP: “The centrality of governance in sustainable stability and development”

*Keynote Speaker (10 – 15 minutes)*

Dr. Motlamelle A Kapa, Head of the Department of Political and Administrative Studies at the National University of Lesotho (NUL): “What factors have contributed to the challenge of stability and governance of the kingdom and how can reforms including a new constitution help?”
Panellist statements (5 minutes each) and facilitated discussions

Mr. Seabata Motsamai, LCN: “What are the urgent reforms that are needed in Lesotho and why?”

Hon. Tsukutlane Au, Minister of Public Service: “What is Government doing to ensure an efficient and professional public service that can deliver quality services and spearhead national development?”

Dr. Joan Nwasike, Adviser and Head Public Sector Governance Unit, Commonwealth Secretariat: “What could be learnt from international best practices to help improve public service delivery in Lesotho?”

Archbishop Gerard Tlali Lerotholi, O.M.I. (CCL): “How can we build and expand national consensus and participation in the reform process”?

Ms. Libakiso Matlho (National Director, Women and Law in Southern Africa): “What is wrong with the current constitution? Should the current constitution be amended, or does Lesotho require an entirely new constitution”.