SUMMARY OF LESOTHO’s MAIN FINDINGS EMERGING FROM NATIONAL MIDTERM REVIEW PROCESS

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INTRODUCTION

- Lesotho is small, landlocked and has one neighbour
- Area, 30,355 square kilometres
- High altitude, 80% of the land is 1,800 metres above sea level
- It’s population is approximately 2 million
- A member of SADC regional block, SACU and CMA
- And of course a Least Developing Country
- Agriculture main source of living for rural population and highly subsistence
ECONOMIC OUTLOOK

- GDP $ 4.265 billion PPP (2013)
- GDP $ 2.161 billion exchange rate (2014)
- GDP real growth rate 3.81% (2014 est)
- Lesotho has a per capita income of around $1,200 (2013 est)
- 57% of the population lives below the poverty line
- Unemployment rate at 29.4% in 2009 (LDS) much higher than 24% in 2008
- Income inequality very high - the richest 20% securing 60% of income while the poorest 20% receive only 2.8%
LATEST DEVELOPMENTS

- Lesotho is feeling the impact of climate change
- Early in 2011, Lesotho experienced the heaviest rains in decades, resulting not only in loss of agricultural output but also damage to infrastructure.
- In recent years, droughts, hailstorms and other natural disasters have similarly caused periods of loss of output.
- Currently, Lesotho is suffering greatly due to the impact of El Nino which is affecting agricultural productivity negatively and the worse since 1972.
- HIV prevalence rate has been steady at 23% since 2004.
MAIN FINDINGS

- GNI per capita, at US$ 1050 in 2012 is close to the graduation threshold level of US$1190 for eligibility for graduation.
- The country made some progress on achieving the Millennium Development Goals (MDGs) but income inequality, poverty and HIV/AIDS remain serious challenges. Hence failure to meet criterion b) Human Assets Index (HAI)
- HDI of 0.486, ranking 162 out of 189 economies (Human Development Report, UNDP)
- Vulnerability index is high due the weak domestic structure of the economy, high dependence on AGOA, exports and markets not well diversified as well as high donor dependency.
PROGRESS TOWARDS IMPLEMENTATION OF NSDP

- NSDP has been a bit slow in taking off
- Strategies to curb unemployment
  - National Jobs Creation Strategy. Four Priority Sectors identified as
    1. Commercial Agriculture
    2. Tourism
    3. Information and Communication Technology and
    4. Textile Manufacturing
  - Sustainable jobs led by the Private Sector
- Investment Climate Reforms Initiative
  - A Cabinet Committee on Investment Climate Reform chaired by the Hon. Deputy Prime Minister
  - A Reform Implementing Unit. Reform Action Plan Developed to guide implementation
Conclusions and Recommendations

- Lack of coordination of IPoA
- No formal structures in place to provide guidance and a systematic report the progress towards implementation of the Istanbul Programme of Action
- Need for coordinating committee led by the National Focal Point in the Ministry of Development Planning
- Political Will
THANK YOU VERY MUCH