



Integrated Country Strategy

Lesotho

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1. Chief of Mission Priorities

Lesotho faces multiple serious challenges that negatively affect its ability to be a strong partner for the United States, chief among them political instability, ineffectual civilian control over security forces, an epidemic rate of HIV/AIDS infection, and suboptimal economic growth due to regulatory dysfunction and under-investment. However, the United States is well-placed to help Lesotho address these challenges and chart a more positive trajectory for the country. The United States is one of a scant few resident bilateral diplomatic missions in Lesotho, and is the largest bilateral source of development assistance. The two nations have enjoyed 52 years of partnership based on shared priorities and a mutual commitment to a peaceful, healthy, and prosperous Lesotho, which gives the United States a privileged position in pressing for the reforms needed to achieve these goals. Winning progress on U.S. Mission priorities as outlined in this document will enable Lesotho to develop into a more robust partner for the United States, unlocking the economic and civic potential of Lesotho's citizens while helping to promote U.S. interests both in Lesotho and across the region.

Since 2014, political instability and weak democratic institutions have been at the core of impediments to Lesotho's development, limiting government effectiveness and degrading democratic norms. A lack of full control over security forces led to a period marked by the military's pernicious involvement in politics, a culture of impunity for violations of human rights, and the murder of two Lesotho Defense Force (LDF) Commanders. Ongoing political instability – Lesotho has seen three different coalition governments in the past six years – has diminished the government's ability to exert civilian control over the military and to deliver adequate services to its people. Amidst this context, in December 2017, the Southern African Development Community (SADC) deployed a preventative mission to provide stability so Lesotho can undertake comprehensive reforms and professionalize the security sector. The United States supported the objectives of this mission and also advocated strongly for an inclusive, multisector reforms process that would make security institutions more accountable and would strengthen Lesotho's democratic institutions. The U.S. Mission will continue to press the government on these reforms, leveraging Lesotho's continued eligibility in the African Growth and Opportunity Act (AGOA) and for a second Millennium Challenge Corporation (MCC) compact in order to elicit improved governance. The U.S. Mission will also support professionalization of law enforcement bodies through carefully targeted training opportunities and assistance programs, promoting respect for democratic rights while improving capacity to counter transnational security threats.

Lesotho's persistent health challenges prevent the country from reaching its full potential and from actualizing the productive capacity of its citizenry. Lesotho has one of the world's highest HIV/AIDS prevalence rates (25 percent of persons 15-59 years of age) and is heavily dependent on donor support for provision of health services. However, with support of the United States President's Emergency Fund for AIDS Relief (PEPFAR) program, the country has an opportunity to improve its outcomes and achieve HIV/AIDS epidemic control (defined as fewer new infections than HIV-positive patient deaths from all causes). PEPFAR's efforts directly

contribute to reaching epidemic control and the “95-95-95 targets” for Lesotho: that 95 percent of all people living with HIV know their status, that 95 percent diagnosed with HIV receive antiretroviral treatment (ART), and that 95 percent of those receiving ART have viral suppression of the disease. For its part, the government of Lesotho (GOL) has shown commitment to achieving epidemic control and to partnering with PEPFAR, as evidenced by its nationwide adoption of “Test and Treat” protocol – the first country in sub-Saharan Africa to do so. The U.S. Mission and PEPFAR are building on this progress in order to secure a future where all Basotho can lead healthy, productive lives, and where the increasing capacity of government and civil society will enable them to take responsibility for providing the bulk of HIV/AIDS treatment and care to Lesotho’s citizens. We will do this with a concerted focus on empowering women and girls to take lead roles in fighting HIV/AIDS and the interrelated challenges of gender-based violence and marginalization.

Improving Lesotho’s political, security, and health challenges will create a solid foundation upon which the country can grow economically and become a stronger trade and investment partner for the United States. Lesotho’s participation in AGOA already has accounted for more than 40,000 jobs and supplied key textile inputs to U.S. retailers, but broader diversification of production could strengthen the economy and reduce poverty – while providing more opportunities for U.S. trade and investment. The U.S. Mission, working in conjunction with regional Foreign Commercial Service (FCS) colleagues, will continue to advance the bilateral economic relationship and promote American companies’ involvement in such opportunities, including public sector projects, to develop Lesotho’s natural resources. In order to capitalize on these prospects, the GOL must also create a more conducive environment for growth by improving financial management and rationalizing regulatory frameworks. The U.S. Mission will continue to advocate strongly for such reforms, working with key public and private sector actors in order to remove impediments to both domestic and international investment.

In order to reach these goals in Lesotho, the U.S. Mission will work to ensure the highest standards of security for staff and facilities. Aging Embassy facilities and technology present a hurdle; we need to modernize facilities and information technology to support mission goals and staff. Other external conditions—most notable are issues around movement of goods and people across the border with South Africa—also risk impeding our work. We will continue to engage with authorities in Lesotho and South Africa to anticipate and react to these issues. The quality and commitment of our staff, above all other factors, determine our chance of success in Lesotho. We will recruit and retain the strongest American and Basotho candidates for Embassy positions.

In fostering a motivated, well-resourced, and secure workforce, the U.S. Mission will ensure that we make the strongest contribution possible towards both advancing U.S. interests and towards winning a safer, healthier, and more prosperous future for Lesotho’s citizens.

2. Mission Strategic Framework

Mission Goal 1: Strengthen democratic institutions and promote good governance.

Mission Objective 1.1: That the civilian government of Lesotho asserts full authority over state security institutions and clearly defines their missions, making them more accountable while strengthening Lesotho's democratic norms.

Mission Objective 1.2: That Lesotho advances an inclusive and transparent process for reforms which strengthens its organs of accountability, resulting in regulatory reforms, improved service delivery, and more responsive governance.

Mission Goal 2: Promote a healthy nation by achieving HIV epidemic control.

Mission Objective 2.1: That Lesotho accelerates reductions in mortality, particularly from HIV.

Mission Objective 2.2: That health initiatives in Lesotho become sustainable through increased ownership by the GOL and local partners.

Mission Objective 2.3: That representation of youth and women in Lesotho's government, businesses, and civil society increases, enhancing their economic and political power and the nation's ability to fight HIV/AIDS, gender-based violence, and poverty.

Mission Goal 3: Spur inclusive economic growth, equitable trade, and investment.

Mission Objective 3.1: That U.S. trade and investment in Lesotho, including public sector projects, expand opportunities for U.S. businesses and stimulate economic growth, job creation, and poverty reduction in Lesotho.

Mission Objective 3.2: That Lesotho improves financial management and pursues key policy reforms to remove constraints to economic growth and investment.

Management Objective 1: That Embassy Maseru facilities and technology be adapted to the evolving security and increasing operational requirements of the Mission.

Management Objective 2: That Embassy Maseru becomes an attractive and competitive place to work for local, American, and third-country national staff at all levels.

Management Objective 3: That undue barriers and delays to personnel travel and transport of goods across the border with South Africa are eliminated.

Management Objective 4: That administrative services support for Embassy projects and personnel meet the needs of the expanding Mission, without proportional increases in staffing and funding, and while abiding by relevant laws and regulations.

3. Mission Goals and Objectives

Mission Goal 1: Strengthen democratic institutions and promote good governance.

Description and Linkages: Many of Lesotho's political and economic problems are structural and derive from both very weak political institutions and a constitution and legislation that are vague and sometimes contradictory. Political instability and weak democratic institutions have been the core impediments to Lesotho's development, limiting government effectiveness and degrading democratic norms. Achieving this Mission Goal will facilitate the GOL in responding to the HIV/AIDS epidemic, and greatly enhance the economic potential of the country. This Mission Goal directly supports the National Security Strategy goal of championing American values, by promoting government respect for the rights of citizens, equal justice under the law, and the dignity of every human life. This goal also supports the Bureau of African Affairs and Bureau for Africa Joint Regional Strategy objective to reduce instability and internal violence that threaten U.S. interests in Africa. This goal also aligns with the State-USAID Joint Strategic Goal Framework, Goal 1.3, to counter instability that threatens U.S. interests by strengthening citizen-responsive governance, and rule of law.

Mission Objective 1.1: That the civilian government of Lesotho asserts full authority over state security institutions and clearly defines their missions, making them more accountable while strengthening Lesotho's democratic norms.

Justification: During much of the country's history, Lesotho's security forces, particularly the Lesotho Defense Force (LDF), have not been under full civilian control and were often manipulated by individual civilian authorities for political purposes. As a result, the military has a history of interfering in politics and committing human rights abuses with impunity. Paradoxically, the security services probably cannot be fully reformed without a comprehensive process as outlined in objective 1.2, yet a reform process probably cannot advance without the government asserting more control over the security services. U.S. assistance to a government interested in genuine reform could help in establishing sufficient civilian control of the security services.

Mission Objective 1.2: That Lesotho advances an inclusive and transparent process for reforms which strengthens its organs of accountability, resulting in regulatory reforms, improved service delivery, and more responsive governance.

Justification: All political parties have articulated a need for an inclusive and far reaching reform process that would enable the government, even if a coalition, to be more stable and cohesive, make the civil service and security forces more professional, and strengthen the judiciary. In recent decades, there have been numerous study tours undertaken, reports written, and reform proposals drafted focused on the need for reform of key political institutions. The GOL does not need further costly study tours; it needs a political forum to

advance the ideas on which all parties purportedly agree. If the government is truly committed to reform, the United States is well-positioned to support an effective process.

Mission Goal 2: Promote a healthy nation by achieving HIV epidemic control.

Description and Linkages: Lesotho has one of the world's highest HIV/AIDS prevalence rates (25 percent) among those 15-59 years, which threatens the country's stability and economic success. However, with the support of the PEPFAR program, the country has an opportunity to improve its outcomes and achieve HIV/AIDS epidemic control. The U.S. Mission and PEPFAR are helping Lesotho make progress towards a future where all Basotho can lead healthy, productive lives, and where the increasing capacity of government and civil society will enable them to take responsibility for providing the bulk of HIV/AIDS treatment and care to Lesotho's citizens. This Mission Goal directly supports the U.S. National Security Strategy to address the root causes of human suffering. This goal also aligns with the State-USAID Joint Strategic Goal Framework, Goal 2.2, to promote healthy, educated, and productive populations to open new markets and support U.S. prosperity and security objectives.

Mission Objective 2.1: That Lesotho accelerates reductions in mortality, particularly from HIV.

Justification: In the ten years that PEPFAR has been in Lesotho, there has been a substantial drop in AIDS-related deaths from almost 12,000 AIDS deaths per year in 2007 to just under 5,000 in 2017 (UNAIDS Spectrum 2018). While a slight reduction in incidence has occurred, Lesotho still has the highest HIV incidence rate in the world among people aged 15-59. Critical barriers to supply, demand, and access to HIV services also challenge the response scale up. The barriers are weak supply chain management, low recruitment and retention of human resources, limited access to and poor quality of data, lack of accurate and timely laboratory diagnosis and patient monitoring, and weak community ownership and participation in service delivery.

Mission Objective 2.2: That health initiatives in Lesotho become sustainable through increased ownership by the GOL and local partners.

Justification: The U.S. Mission to Lesotho is striving to help the country achieve a high-impact, country-owned national HIV response. Without ownership by government, civil society, and other stakeholders, PEPFAR programs that attain high coverage and quality are unlikely to be maximized or sustained. The GOL's national plans contain clear targets, results, and cost estimates; however, the health system's capacity to achieve these targets is limited. Therefore, the U.S. Mission to Lesotho will support the Ministry of Health to provide leadership and oversight of the HIV response and to enable host country institutions to deliver effective health programs.

Mission Objective 2.3: That representation of youth and women in Lesotho's government, businesses, and civil society increases, enhancing their economic and political power and the nation's ability to fight HIV/AIDS, gender-based violence, and poverty.

Justification: Women in Lesotho face a difficult contradiction. On the one hand, girls are more educated than boys, and Basotho women hold prominent positions in business and government. On the other hand, gender-based violence is commonplace and the burden of the HIV/AIDS epidemic falls most heavily on young women. These burdens are most likely linked, at least in part, to the lack of economic power of many Basotho women. Young Basotho are similarly vulnerable as even college graduates struggle to find employment. HIV prevalence rates surge from six percent among 15-19 year-old girls to 31 percent among 25-29 year-old women. This is a potent indication of the enormous consequences of economic disempowerment of women and youth in Lesotho. While changing a culture is difficult, we can at least help focus attention on these challenges by investing in women and youth leaders. The YALI program, in particular, has been a striking success in helping begin to develop a new generation of Basotho leaders.

Mission Goal 3: Spur inclusive economic growth, equitable trade, and investment.

Description and Linkages: While addressing its political instability and the HIV/AIDS epidemic, Lesotho has the potential to grow economically and become a stronger trade and investment partner for the United States. Broader economic diversification could strengthen the economy and reduce poverty – while providing more opportunities for U.S. trade and investment. This Mission Goal supports the Nation Security Strategy aim of promoting free, fair, and reciprocal economic relationships, and the Priority Action of facilitating new market opportunities. This goal also supports the Bureau of African Affairs and Bureau for Africa Joint Regional Strategy goal of increasing mutually beneficial economic growth, trade, and investment.

Mission Objective 3.1: That U.S. trade and investment in Lesotho, including public sector projects, expand opportunities for U.S. businesses and stimulate economic growth, job creation, and poverty reduction in Lesotho.

Justification: Factories exporting to the United States under AGOA provide up to 40,000 jobs, making them the primary source of private sector employment for Basotho. Thus, trade with the United States is a key driver of economic growth in Lesotho. Direct U.S. investment in Lesotho, however, is limited. There are early signs that this might be changing as U.S. investors fund a major diamond mine and acquired a trout farm that is a major exporter of fish, and as the major U.S. conglomerate Seaboard maintains its long-standing investment in Lesotho Flour Mills. In addition, upcoming tenders related to Phase II of the Lesotho Highlands Water Project present another opportunity for U.S. engineering firms to do business in the Mountain Kingdom.

Mission Objective 3.2: That Lesotho improves financial management and pursues key policy reforms to remove constraints to economic growth and investment.

Justification: Lesotho spends a higher percentage of its GDP on the public sector payroll than any other country in sub-Saharan Africa. Historically, the massive payroll has been sustained by revenues from the Southern African Customs Union (SACU), but as SACU revenues decline, sustaining a vast and ineffective civil service becomes a threat to macroeconomic stability and the ability of government to fund policy priorities.

4. Management Objectives

Management Objective 1: That Embassy Maseru facilities and technology be adapted to the evolving security and increasing operational requirements of the Mission.

Justification: The Chancery and three government-owned residences are each more than 45 years old and show signs of significant wear and tear. Post struggles to maintain the ageing facilities and IT infrastructure. A significant staff expansion over the last several years continues, as post expects to add several positions for the Millennium Challenge Corporation and a bodyguard program for the Chief of Mission in FY2018-19. Also, though Embassy Maseru is categorized as a small mission, the number of IT systems and types of operations required remain significant. The combined challenges of old buildings, an increasing number of staff, and IT system demands strain Mission resources.

Management Objective 2: That Embassy Maseru becomes an attractive and competitive place to work for local, American, and third-country national staff at all levels.

Justification: Local staff at post have enjoyed regular wage increases since 2014 bringing wages from the 50th to the 65th percentile relative to comparators. However, the Embassy struggles to attract highly qualified applicants for the higher graded positions. Not only does the Embassy compete with its comparators but it competes for talented individuals with South Africa, where salaries are generally much higher. Also, an ongoing dispute with the Lesotho Revenue Authority has weighed heavily on the morale of LE staff at the Mission. The choice of USDH and TCN staff to come to Lesotho is often influenced by quality of life concerns, including spousal employment opportunities and schooling for family members. An improved protocol for obtaining work permits for family members is important; as a small mission with few internal jobs available, the potential to work with local and international non-governmental organizations would be an asset to the Mission and to the broader workforce of Maseru.

Management Objective 3: That undue barriers and delays to personnel travel and transport of goods across the border with South Africa are eliminated.

Justification: Lesotho is uniquely situated as an entirely landlocked country, surrounded by its neighbor South Africa. For this reason, travel for all Mission personnel and goods is via South Africa. Issues with cross-border procurement have escalated in recent years, and the result can be long delays in procurement of key goods. Severe congestion at border crossings regularly hinders both official and unofficial travel. With most medical services being provided across border, the border congestion represents a safety concern. Personnel confined to vehicles stuck in traffic for long periods at the border presents a safety concern as well.

Management Objective 4: That administrative services support for Embassy projects and personnel meet the needs of the expanding Mission, without proportional increases in staffing and funding, and while abiding by relevant laws and regulations.

Justification: The management platform provides key support to the Embassy, without which strategic goals cannot be met. However, as the customer base continues to expand, the administrative capacities of the Embassy can be strained by staffing, finance, and facilities constraints. The management section will need to continually assess service provision, identify underperforming functions, and adapt.