



Integrated Country Strategy

LESOTHO

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1. Chief of Mission Priorities

The United States and Lesotho have an enduring partnership rooted in historic ties and development assistance to the citizens of Lesotho. Embassy Maseru's vision is to improve the peace, prosperity, and quality of life for the people of Lesotho by advancing shared aspirations, sustainable development, democracy, security, and the rule of law. The U.S.-Lesotho bilateral partnership is founded on the more than \$630 million in assistance since 2006 from the President's Emergency Fund for AIDS Relief (PEPFAR), \$662 million from past and prospective Millennium Challenge Corporation (MCC) compacts, and the Peace Corps Volunteers program in country since 1967, with growing ties in the security sector.

The Mountain Kingdom faces multiple serious challenges--political instability, limited economic prospects, corruption, police brutality, weak democratic institutions, HIV, and suboptimal economic growth due to regulatory dysfunction --that negatively affect its ability to be a reliable partner for the United States. These ills limit government effectiveness, degrade democratic norms, and make Lesotho vulnerable to criminal entities and competitive foreign powers such as the People's Republic of China. On October 7, for the first time in nearly a decade, Lesotho citizens exercised their right to vote in peaceful, transparent, and regularly scheduled elections that garnered praise from local and international observers alike. The newly formed Revolution for Prosperity party's strong performance at the polls reflected the electorate's desire for change and the outgoing government's inability to deliver. 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 (22.7 percent of persons ≥ 15 years of age) and is heavily dependent on donor support for provision of health services.

Mission Maseru will continue to press the government on reforms, and leverage Lesotho's continued eligibility in the African Growth and Opportunity Act (AGOA) and a forthcoming MCC compact to elicit improved governance. Lesotho's participation in AGOA already has accounted for nearly 45,000 local jobs and supplied key textile inputs to U.S. retailers, but broader

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diversification of production could strengthen the economy and reduce poverty – while providing more opportunities for U.S. trade and investment. The United States is well-placed and determined to help Lesotho thwart these challenges further promoting U.S. interests in Lesotho and across the region. The Embassy had its most robust elections observation mission planned in decades to observe the October 7 National Assembly elections. However, aging Embassy facilities, limited staffing, and technology limitations present challenges. We need to increase staffing, consistent with Department Diversity, Equity, Inclusion, and Accessibility (DEIA) standards and modernize facilities and information technology to advance mission goals.

Embassy Maseru will advance professionalization of law enforcement bodies through carefully targeted training opportunities and assistance programs calibrated to promote respect for democratic rights, improve capacity to counter transnational security threats, while continually drawing Lesotho closer in alignment with U.S. goals in Southern Africa.

2. Mission Strategic Framework

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

- **Mission Objective 1.1:** Lesotho's security sector, law enforcement services, and justice sector become more professional and effective, and strengthen ties with U.S. law enforcement and security services.
- **Mission Objective 1.2:** Lesotho advances an inclusive and transparent process for reforms that strengthen its organs of accountability, resulting in regulatory reforms, improved service delivery, and more responsive governance.

Mission Goal 2: Institutionalize HIV programs and support health systems strengthening for universal coverage.

- **Mission Objective 2.1:** Lesotho improves quality services post epidemic control and to prevent roll back of the gains so far attained.
- **Mission Objective 2.2:** The United States strengthens HIV integration and strengthening of primary health care to improve broader health outcomes.

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

- **Mission Objective 3.1:** 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:** Lesotho improves financial management and pursues key policy reforms to remove constraints to economic growth and investment.

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

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, adhering to DEIA principles.

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

3. Mission Goals and Objectives

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

Description | 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 GOKL in countering trafficking in persons, support devolution of health services for HIV and other essential health services, 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.

Objective 1.1 | Lesotho's security sector, law enforcement services, and justice sector become more professional and effective, and strengthen ties with U.S. law enforcement and security services.

- **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.
- **Linkages** | 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.

- **Risks** | Security forces face manipulation by individual civilian authorities for political purposes.

Objective 1.2 | That Lesotho advances an inclusive and transparent process for reforms that 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.
- **Linkages** | The GOKL 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.
- **Risks** | 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.

Mission Goal 2 | Institutionalize HIV programs and support health systems strengthening for universal coverage.

Description | Lesotho has the third lowest life expectancy globally, poor maternal, newborn and child health outcomes and one of the world's highest HIV/AIDS prevalence rates (22.7 percent) among those ≥ 15 years, which threatens the country's stability and economic success. Through the support of the PEPFAR program and other health investments including MCC and USAID focused on health systems strengthening and integration of essential health services, the country has an opportunity to improve its outcomes and achieve HIV/AIDS epidemic control using a primary health care approach. 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 and integrate these services to provide quality person-centered care at the lowest levels of the health system. 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.

Objective 2.1 | Lesotho improves quality services post epidemic control and to prevent roll back of the gains so far attained.

- **Justification |** In the fifteen 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 approximately 5,000 in 2020.
- **Linkages |** This results in substantial mortality that could be prevented with earlier diagnosis and management of HIV and other preventable causes of death. Given the aging population of people living with HIV, attention to non-communicable diseases is critical. Given the high rates of preventable maternal, newborn and child deaths,

integration of HIV programs into broader essential health services to offer comprehensive care is imperative.

- **Risks** | However, many people living with HIV remain undiagnosed and often present for treatment in the late stages of the disease. Suboptimal investment in essential health services and poor decentralization of integrated health services compromises the mortality gains seen under PEPFAR programming.

Objective 2.2 | That health initiatives in Lesotho become sustainable through increased ownership by the GOKL 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 while strengthening the health system to provide essential health services using a primary health care approach. Without ownership by government, civil society, and other stakeholders, PEPFAR programs that attain high coverage and quality are unlikely to be sustained or integrated into broader health systems.
- **Linkages** | Vertical attention to HIV that was required during the height of epidemic has not been buttressed by similar attention to broader health needs resulting in suboptimal progress towards broader international and national health goals. The GOKL's policy foundation for primary health care and devolution of integrated health services holds tremendous promise to sustain HIV outcomes while strengthening progress on broader essential health outcomes. Strengthening health care systems like laboratory, supply chain, and disease reporting under PEPFAR should benefit the overall health care system by developing increased local capacity.
- **Risks** | The GOKL's national plans contain clear targets, results, and cost estimates; however, the health system's capacity to achieve these targets is limited. Inadequate funding and attention to primary health care and community health compromises the ability to provide integrated services.

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

Description | 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.

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.
- **Linkages |** 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.
- **Risks |** 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.

Objective 3.2 | 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.
- **Linkages** | Historically, the massive payroll has been sustained by revenues from the Southern African Customs Union (SACU).
- **Risks** | 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, and 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 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.
- **Linkages** | A significant staff expansion over the last several years continues, including 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.
- **Risks** | The combined challenges of old buildings, an increasing number of staff, and IT system demands strain Mission resources. The management section will need to continually assess service provision, identify underperforming functions, and adapt.

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, while adhering to DEIA principles.

- **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.
- **Linkages** | 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.
- **Risks** | Post may be unable to recruit and retain well-qualified and diverse staff.

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.
- **Linkages** | Post's ability to transport goods across the border between Lesotho and South Africa is periodically disrupted by inconsistent border management practices as well as occasional labor disputes and civil unrest.
- **Risks** | Post's access to critical supplies, including medications and vaccines, could be delayed for significant periods.