



THE FORTY SECOND SESSION OF IFAD GOVERNING COUNCIL

LESOTHO COUNTRY STATEMENT

BY

**THE HONOURABLE MINISTER OF AGRICULTURE AND
FOOD SECURITY**

HONOURABLE MAHALA MOLAPO

IN ROME, ITALY ON THE 14TH – 15TH FEBRUARY 2019.

Chairperson;

Honourable Governors;

His Excellency, the President of IFAD, Mr. Gilbert F Houngbo;

Distinguished Guests;

Delegates and participants;

Ladies and Gentlemen.

Allow me to thank IFAD and Government of Italy for their excellent arrangements and hospitality afforded to us.

On behalf of the Government of Lesotho, the people of Lesotho and on my own behalf as the Minister of Agriculture and Food Security, I feel greatly honoured to address the 42nd session of the IFAD Council. The Governing Council focuses on the theme, "Rural Innovation and Entrepreneurship". The discussions centre around the importance of gender and nutrition-sensitive value chain development, the role of social entrepreneurship and innovation in promoting resilience and addressing global challenges and the impact of new technology on the future of

farming. Youth unemployment is a key challenge in developing countries; the economies cannot absorb new entrants to the labour market who have graduated from institutions of higher learning.

Increasing financial inclusion for Micro, Small and Medium Enterprises (MSMEs) is a high priority as they play a key role in providing employment as well as growing the economy. In the case of Lesotho, there are two institutions which serve as Government's tools for supporting increased MSME access to credit. They are: the Lesotho National Development Corporation (LNDC) and the Basotho Enterprises Development Corporation (BEDCO).

In January 2012, the GoL launched the Partial Credit Guarantee Scheme (Fund) worth M50 million (USD 3 703 000.00). The scheme was initiated by the Government to help MSMEs and other Basotho owned businesses. The scheme seeks to provide part of the collateral that most banks require before lending

money. To address the problem of collateral, the GoL and the banks have agreed to share the risks of advancing loans to MSMEs - especially businesses for youth and women.

Excellencies, Ladies and Gentlemen,

The Agricultural sector is vital for the livelihoods of Basotho especially those who reside in rural areas as most of them (between 75% and 80%) rely heavily on subsistence farming and minimal commercial farming. However, Lesotho's production in agriculture has been deteriorating considerably from year to year. The country has been experiencing excessive droughts and heavy rains coupled with longer cold periods. Despite the challenges that hinder government efforts to increase production in agriculture, government continues to implement some of the key initiatives such as Intensive Crop Production, Irrigated vegetable production, deciduous fruit production, improvement of wool and mohair production, piggery and beef production.

With the support of the International Fund for Agricultural Development (IFAD) and other development partners, the Government of Lesotho is implementing two projects namely: Smallholder Agriculture Development Project (SADP) and Wool and Mohair Promotion Project (WAMPP). SADP is currently operating in seven districts of Lesotho. It was a six year project which became effective in March 2012. IFAD has contributed USD 14.33 million both as a soft loan and grant. The objective of the project is to increase market output among project beneficiaries in Lesotho's smallholder agriculture sector.

SADP grants are aimed to support small and medium agriculture-related businesses and farmer associations and cooperatives to increase their level of commercialization through the introduction, testing, adoption, demonstration and dissemination of new and innovative business initiatives and technological improvements. Under SADP, 757 beneficiary groups and companies have been assisted and M196 million (USD 14.5 million) has been disbursed. The thematic areas covered by the awarded grants include the

following: protected agriculture (greenhouses and shade nets), Seedlings production, piggery production, poultry production, pork processing, fruit and vegetables processing, wool and mohair production and Bee keeping and honey extraction.

Excellencies, Ladies and Gentlemen,

The Wool and Mohair Promotion Project (WAMPP) is designed to boost resilience to the adverse effects of climate change and economic shocks among poor rural people across the country. IFAD has contributed USD 12 million both as a grant and loan. The project Coordinating Unit is fully functional. The merino breeding centre in Quthing has been transferred under sub-lease agreement to the Lesotho National Wool and Mohair Growers' Association (LNWMGA), over 500 breeding ewes and nine rams have been procured to revive the centre's operations. I am proud to announce that the breeding centre already boasts of a yield of 160 lambs in the current lambing season. In addition, farm machinery and implements have been procured and handed over to the Lesotho National Wool and Mohair Growers Association.

This therefore means the breeding centre is now fully-functional. Apart from that, an agreement to transfer a second breeding centre to the LNWMGA was signed in October 2018 – thus paving the way for full operationalization of this centre too.

WAMPP is working with the Lesotho Meteorological Service (LMS) to improve data and climate information. Towards this end, five automatic weather stations have been established in different parts of the country.

In conclusion, Chairperson, I commend and urge IFAD to continue its excellent work of assisting developing countries , like Lesotho, with the aim of reducing inequality, eradicating poverty and hunger as well as contributing to economic development. In Lesotho, Agriculture has been included in the four priority sectors that will enhance economic growth and address unemployment. On behalf of the Kingdom of Lesotho, We pledge to promote private sector led participation and assist the smallholder farmers to graduate from subsistence to commercial farming.

I thank you for your attention