



IN TRANSFORMATION
INITIATIVE

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MONTHLY UPDATE

LESOTHO



MAIN STORIES

**Government Loses
Court Case Against
Frazer**

**Dialogue Organised
by DWF**

HIGHLIGHTS

- The Gauteng High Court ordered the Lesotho government to pay German company, Frazer Solar, €58 million for a botched solar power supply deal. Lesotho had sought to extricate itself from the controversial deal signed in 2018 by then Minister in the Prime Minister's office, Temeke Tsolo, with Frazer Solar GmbH (FSG). The government had argued the deal was illegal as Tsolo had no authority to sign the "fraudulent" transaction. Frazer Solar said the only realistic option was for Prime Minister Sam Matekane's government to approach it for an agreement on payment terms. Attorney General, Rapelang Motsieloa, said the government would appeal the Gauteng High Court's decision.
- The Democracy Works Foundation (DWF) under the EU-funded project, Putting Youth and Women at the Centre of Inclusive Economic Growth (PYWIEG) and the Financial Services Volunteer Corps (FSVC) under the USAID-funded programme, Strengthening Anti-Corruption Efforts and Procedures in Southern Africa, hosted a National Dialogue in Lesotho on 29 January.
- The National Reforms Transition Office (NRTO) is yet to publicise the findings of the institutional gap assessments on the three arms of government and selected ministries conducted between September 2022 and May 2023. The assessments were completed by the Public Administration International (PAI), a UK-based consultancy firm.
- According to the World Economic Forum (WEF's) Global Risks Report 2024, the top five risks identified by the Executive Opinion Survey (EOS) for Lesotho are: 1) Economic downturn; 2) Infectious diseases 3) Failure of climate-change adaption; 4) Extreme weather events; and 5) Failure of climate-change mitigation.
- Heads have started rolling at the Lesotho Correctional Services (LCS) following the escape of six inmates and the alleged torture of others. Assistant Commissioner Tsoto Manaka, who manages the Lesotho Correctional LCS training school, and the Maseru Commanding Officer Lipholo Nthako were suspended.



- Lesotho is ranked 93 out of 180 countries in Transparency International's 2023 Corruption Perceptions Index (CPI: 1=clean; 180=highly corrupt). Lesotho was ranked 99 out of 180 countries in Transparency International's 2022 CPI.
- On 30 January 2024, the Monetary Policy Committee (MPC) of the Central Bank of Lesotho (CBL) decided to maintain the CBL rate at 7.75% per annum.
- Headline inflation increased to 7.2% in December 2023 from 6.8% in November 2023.
- The Wool and Mohair Value-chain Competitiveness Project (WaMCoP) received US\$72 million from the Organisation of the Petroleum Exporting Countries (OPEC) Fund, the Global Environment Facility (GEF), the private sector and the government to support small-scale producers.
- The government lifted the ban on the importation of frozen chicken and fertile eggs from South Africa. However, the ban on live bird imports from SA remains in force.
- Following elections in Taiwan, the Ministry of Foreign Affairs and International Relations announced the country's commitment to the "One-China-Principle."
- The Minister of Foreign Affairs and International Relations, Lejone Mpotjoane, confirmed Lesotho's support for South Africa's case against Israel at the International Court of Justice (ICJ) alleging genocide against the Palestinians in Gaza.
- Lesotho is projected to lose M160 million in royalties in six months during an upcoming maintenance of Phase I water transfer and delivery tunnels at 'Muela Hydropower Station, which is planned to take place from October 1, 2024, to March 31, 2025. However, the LHDA promised that more water would be transferred to South Africa before then to avoid royalty rates being too low.





- The African Commission on Human and People's Rights (ACHPR) undertook a Promotion Mission to Lesotho. The ACHPR said in a statement that the delegation remains concerned about amongst others, instances of reported political instability in the country; the delay in the adoption of the Omnibus Bill; acts of torture perpetrated on inmates in the Maseru Correctional Institution; existence of repressive laws on the media; and violations of rights in relation to the Lesotho Highlands Development Authority (LHDA).

