



**OPENING REMARKS BY THE HONOURABLE THABO SOPHONEA  
MINISTER OF FINANCE  
ON THE SIGNING OF COMPACT II  
AT  
NATIONAL CONVENTION CENTRE IN MASERU  
12<sup>TH</sup> MAY 2022**

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Master of Ceremonies,  
Allow me first to pay my respects to:

His Majesty King Letsie III  
The Right Honourable the Prime Minister  
The Honourable President of the Senate  
Honourable Speaker of the National Assembly  
Lordship, the Chief Justice  
The Honourable Deputy Prime Minister  
Honourable Ministers and Deputy Ministers  
Honourable Members of Parliament  
Excellencies, Heads of Diplomatic Missions and International Organisations and in particular, I wish to recognize in particular US Ambassador Maria Brewer and MCC CEO Ms Alice Albright  
Distinguished guests  
Representatives of Media Houses  
Ladies and Gentlemen

It is a great honour for me to deliver opening remarks at this prestigious occasion, the signing ceremony of the Lesotho - Millennium Challenge Compact II. I wish to extend a special welcome to the US Government representatives here today, Her Excellency Ambassador Maria Brewer, MCC CEO Ms Alice Albright, all officials and friends of Lesotho from the US. Your presence here, despite the COVID 19 pandemic that has not yet died down, demonstrates your commitment to the journey we have started. I also wish to thank

everyone for making time to celebrate with us today. The Compact II  
BRING US hope for recovery and transformation of our economy.

Some of you are aware and proud of the significant investments that the US Government, through the first Compact, has made in the health and water sectors and the significant strides made in creating an enabling environment for private sector development as well as support towards achieving gender equality in Lesotho. As a result of these investments, Lesotho has improved access to quality health care services and improved livelihoods to many Basotho especially women. For example, our Maternal Mortality ratio fell from 671 deaths per 100,000 live births in 2003 to 544 deaths per 100,000 live births in 2017. Ladies and gentlemen, I am not a health expert, but I would like to believe that the magnificent health infrastructure that we see throughout the country has a lot to do with this achievement.

The Metolong Dam, with the support from compact I and other partners, changed the landscape of water harvesting and reduced shortages of water supply to the local communities and to industry.

Ladies and Gentlemen

Compact II builds on the investments in Compact I. The Lesotho Compact II covers the Health Systems Strengthening, Market Driven Irrigated Horticulture, and Business Environment and Technical Assistance, otherwise commonly known as the BETA project.

The biggest component is, Market Driven Irrigated Horticulture Project whose objective is to increase rural incomes by stimulating growth in the sector, to catalyze future investments in market driven irrigated horticulture by establishing a successful and a sustainable model of irrigation, water resource and land management. The project will ensure that women and youth are included.

With the Health Systems Strengthening, the aim is to improve the efficiency and efficacy of health resource utilization resulting in prevention of diseases or ill health, a reduction in per unit treatment cost, and ultimately improved cost efficiency of expenditures of the Ministry of Health (MoH). All these should lead to accelerated improvement in health outcomes.

The objective of the Business Environment and Technical Assistance Project is to stimulate increase in firm-level profits and formal employment including Micro, Small and Medium Enterprises and including those owned by women, youth and with a good coverage of rural Lesotho. Ladies and gentlemen, this compact is expected to have significant impact on the lives of Basotho and the country's economy. This program should catalyse further investment that will spur the country's economy going forward.

I must indicate that there are some commitments that the government has to deliver on, to support the compact program. Firstly, the government had to pass the Laws of Lerotholi Amendment

Bill 2022 into law, and Counter Domestic Violence Bill 2022, as a condition for the compact to be signed. I am proud to mention that we have made significant progress in this regard. This progress would not have been possible without the leadership of my colleagues the Minister of Gender and Youth, Sports and Recreation, as well as Minister of Justice and Law. I would also like to acknowledge the Social Cluster Portfolio Committee for working tirelessly on these two Bills. Ladies and gentlemen, the two pieces of legislation will go a long way in advancing women's economic rights and bolstering prevention of Gender-Based Violence (GBV) and response efforts in this country. We look forward to having them passed by the Senate and receiving the Royal assent soon.

Distinguished guests, Ladies and gentlemen,

This Compact is a product of concerted efforts from a wide variety of stakeholders. I wish to thank on my behalf and on your behalf the Compact development team led by Mr. Keketso Chalatse, the Chief Executive Officer of LMDA and Head of Compact II development, Mr Foulo and later Ms Mannana Phalatse for their commitment and outstanding work, without whose commitment we would not be here today celebrating the signing of Compact II. I would also like to extent my thanks to the board of LMDA, Principal Secretary of Finance and her team, all officials that contributed in the development and negotiations of the Compact. Your expert knowledge has guided and

shaped this compact and I am proud to say it is indeed a home-grown program. To all communities, business people, Civil society representatives, women and youth, professionals who availed themselves for intensive consultations during the course of developing this Compact, we are grateful and to those that will benefit directly, we hope you will dedicate your time and efforts to make it successful and conclude on time, otherwise the resources will go back to MCC. We do not want that to happen!

I wish to recognise and thank once again Karen and the technical team from the MCC side that worked tirelessly to have this Compact meet objectives of both sides and supporting the Compact Development team such that the Board could approve. Madam Albright and Ambassador Brewer, we are short of words to express our appreciation, you moved with speed and acted as true ambassadors and development warriors on behalf of the Basotho nation to have the Lesotho compact approved. Thank you

Cabinet has been instrumental in ensuring that the processes that lead to this historic moment were facilitated and gave guidance when hard choices had to be made. We are grateful to you. Please also note that we received a lot of support from the National Assembly, they appreciated the importance of the programme and commit to pass relevant legislation to facilitate implementation. This suggests that successive Parliaments will also engage in the same spirit.

Ladies and gentlemen, we still have some work to do before implementation of the Compact. Therefore, I assure the MCC and the US government that the Government of the Kingdom of Lesotho will do its utmost best to fulfil its outstanding commitments to pave a way for implementation of the Compact next year. In light of this, I call upon all in Government and all stakeholders to continue supporting the remaining activities that follow this signing.

Some development partners have also graciously agreed to have the projects implemented with the Government of Lesotho to be counted as Government contribution to the Compact, which enabled us to seal the deal. We have already received positive signals from the European Union and GIZ and possibly more will come.

So, ladies and gentlemen, the great moment that we have been waiting for, the signing is about happen.

I now have the honour to invite the Honourable Minister of Foreign Affairs, Madam Matšepo Ramakoae to lead the signing of Lesotho's second Compact.

**I thank you.**

