

**OPENING REMARKS BY DR. RETSELISITSOE MATLANYANE**

**THE HONOURABLE MINISTER OF FINANCE AND DEVELOPMENT PLANNING**

**ON THE LAUNCH OF THE CALL FOR INVESTORS FOR THE MARKET DRIVEN IRRIGATED  
HORTICULTURE PROJECT (MDIH) UNDER THE COMPACT**

**25 SEPTEMBER 2023**

**Protocol,**

**Ministers, Ambassador Brewer, MCC team**

Ladies and gentlemen, I am excited to be with you here today and humbled to officiate at the launch of the Call for Investors (CFI) for the Market Driven Irrigated Horticulture (MDIH) Project. This project is a major component of the \$ 322 million Lesotho Health and Horticulture Compact signed in May last year. MCC investment under this compact will lead to growth of the rural and overall economy with expansion of hundreds of small businesses, and improve the lives of thousands of Basotho. We are also proud that the fundamental features of the Compact are to place Lesotho at the heart of global value chains, with Women and Youth being at the centre of this investment.

The Compact aims to reduce poverty through economic growth in Lesotho. Ladies and gentlemen, you will agree with me

that over the last ten years, our economy has marginally grown but these gains have not translated in increased employment. As a result, poverty and inequalities have persisted. These challenges were reiterated in numerous studies that informed development of the second Compact. Most importantly, the foundational studies that informed development of this Compact identified Ineffective policy planning, coordination and execution as the root cause of poverty and inequalities in Lesotho.

Ladies and gentlemen, the symptoms of this problem are displayed in our everyday lives as we grapple with poor service delivery arising from corruption, inefficient use of resources, and lack of institutional capacity for formulation, implementation, monitoring, and evaluation of government programmes.

Ladies and gentlemen, the MDIH Project is the most significant component of the Compact with a whopping \$118 million investment by MCC, which will support the government to create a sustainable model of commercial horticulture underpinned by effective collaboration between investors and smallholder farmers with the government creating

a conducive policy and legislative environment for private sector-led development in the identified irrigation schemes. The project provides an opportunity to demonstrate how coordination between the government and the private sector in policy planning, and execution could unlock development potential of Lesotho and improve the livelihoods of its people.

Ladies and gentlemen, the success of this model rests on the ability to secure commercial farmers that are passionate about community empowerment and social impact investment for the four irrigation sites for MDIH project. For this reason, it is imperative for the government of Lesotho to meet this requirement. This event is a significant milestone of these efforts and marks the beginning of a journey towards solidifying the commitment from commercial anchor farmers to occupy at least 50% of the identified land in four project sites in Likhakeng, Manka (Peka), Tsoili-Tsoili (Kolonyama) and Phamong in Mohale's Hoek. My staff at MCA-Lesotho II, in collaboration with the LNDC and MCC are working collectively in this regard.

The Government of Lesotho is committed to developing an “investment-grade” business environment that maximizes the benefits of private investment for economic transformation, job creation, and poverty reduction in Lesotho. We are committed to addresses the legal, regulatory, administrative and institutional barriers affecting all phases of the business and investment lifecycle in order to establish a competitive investment climate that is favorable for stimulating investment for business-led growth.

Under the Compact, the Governments of Lesotho and the United States of America have put an attractive package of incentives, including a range of financial, technical and infrastructural incentives to be provided within each of the four proposed irrigation schemes. You will hear more on this in the upcoming presentations.

I would like to express my heartfelt gratitude to you all who have found time to be here today. As the government Principal Representative on the Compact, I would like to convey the appreciation of the Government of Lesotho to the American

people who have supported us in different areas over the years. To Her Excellency Madam Ambassador and the MCC Resident Country Director and your team, I am grateful for the contribution of the American taxpayers to our economy over the years.

Finally, ladies and gentlemen, we would not be here today if it was not for the hard work that the Compact II team (now MCA Interim team) has put in developing this Compact and securing this massive investment for the benefit of our people.

To my colleagues in Cabinet, I thank you for your support of the Compact in general and I am sure that you provide strategic guidance to ensure that we secure credible investors.

Ladies and gentlemen, I now declare the Call for Investors in the Market Driven Irrigated Horticulture (MDIH) is officially launched. I urge local and international investors to embrace this opportunity fully.

Kea Leboha.

KHOTSO. PULA. NALA