

MCC Board Approves \$300 million Second Compact Program for Lesotho

For Immediate Release

1st April 2022

Contact: [insert contact number]/22317017

Email: [insert email address]

MASERU (1st Apr 2022) – During its quarterly meeting on 31st March 2022, the United States Government’s Millennium Challenge Corporation (MCC) Board of Directors voted to approve a five-year, \$300 million Compact Program for Lesotho. The second Compact consists of three projects, namely: (i) the Health Systems Strengthening (HSS) Project; (ii) the Market Driven Irrigated Horticulture (MDIH) Project; and (iii) the Business Environment and Technical Assistance (BETA) Project.

The country’s second Compact Program will advance economic growth and poverty reduction by addressing the root causes of the constraint of ineffective policy planning, coordination, and execution across three key sectors: health, agriculture, and access to finance. The Compact Program aims to spur private sector growth by increasing workforce productivity through improved health outcomes, investing in the emerging horticulture sector, and supporting the creation and viability of private businesses through provision of technical assistance, incubation and acceleration services and access to finance. The Compact investments are also designed to target structurally disadvantaged populations, particularly the poor, women, and youth.

The Government of Lesotho and MCC expect that a stronger, more robust, and organized private sector constituency will be able to demand more effective and efficient goods and services from government. In turn, a more effective and efficient government can provide the public with the goods and services necessary to stimulate and sustain private-sector led, poverty-reducing growth and job creation. To this effect, the Government of Lesotho is pleased to partner with MCC under this Compact Program and support building the country’s institutional capacity

through select reforms to strengthen the efficiency and effectiveness of the government to provide public goods and business services in the health, irrigated horticulture and financial sector.