

frameworks and coordination mechanisms inside the NSS, the programme will provide support to legal reviews and the establishment of a coordination mechanism. Further, the programme focuses on the mainstreaming of gender and disability in the development of all data and statistics developed in the NSS in Lesotho.

Equitable Lesotho is aligned with the Sustainable Development Goals (SDGs) and particularly SDG 1 (No Poverty) as well as the National Strategic Development Plan II and the National Social Protection Strategy. It also advances the objectives of the EU Gender Action Plan III. By strengthening the link between social protection and access to services, including energy access, it indirectly contributes to the Green Deal Team Europe Initiative.

2 RATIONALE

2.1 Context

The Kingdom of Lesotho is a mountainous country in Southern Africa, with a unique geography as it is entirely surrounded by South Africa. Around 80% of Lesotho's land is more than 1 800 m above sea level with an average elevation of 2 161 metres. Lesotho is included in the list of least-developed countries (LDCs)¹ with a per capita gross national income of USD 1,100² (current, 2020). It is a small and largely rural country of about 2.1 million people, of whom more than 99% are ethnic Basotho. About 60% of Basotho live in the districts of Berea, Leribe, Maseru, and Mafeteng, in the arable lowlands. The remaining population lives in six districts that include the Senqu River Valley and comparatively more mountainous lands. Most people live in rural areas, but the share of the urban population has increased substantially, from 14% in 1990 to 29% in 2020³. Population growth has slowed since the early 1990s, from 2% a year to slightly more than 1%⁴.

Lesotho has suffered from political instability and internal conflicts, ever since gaining independence from the United Kingdom in October 1966. This has negatively impacted on both its socio-economic development and its ability to profit from regional economic integration. Today, Lesotho remains the only least developed country in the Southern African Customs Union (SACU). It is confronted with a multitude of developmental challenges. Poverty is widespread and the level of inequality is one of the highest in the world. Social services delivery to citizens and economic activities are insufficient to lift the country out of poverty. There has been little progress despite the substantial inflow of international assistance over the decades since independence. Landlocked, food-insecure, and energy-dependant, Lesotho remains also extremely vulnerable to external shocks. Ranked as 124th out of 182 countries, it shows decreasing climate readiness and increased vulnerability over the last ten years⁵. Along these long lasting trends, the Covid-19 pandemic has further deteriorated and already fragile economy, largely reliant on foreign remittances and the export of primary products.

Natural resources, including renewables, exist in abundance in Lesotho and if used in a sustainable and equitable manner have the potential to transform the country's economy into one that is green, circular and resilient. Lesotho is endowed with a great potential for renewable energy generation but it currently imports the majority of its electricity. Lesotho supplies a third of water to the economic powerhouses of Gauteng (the region of Johannesburg and Pretoria) and yet less than a third of its population has access to safely managed drinking water. Improved access to water and electricity is expected to unlock commercial opportunities and introduce trade possibilities between Lesotho, South Africa and the wider region, resulting in jobs and socio-economic development. At the same time, in order to overcome political instability and establish a conducive environment for this vision to be realised, Lesotho has embarked on national reforms in seven areas: constitutional, parliamentary, security sector, public sector, judiciary, economic and media reforms.

Against this backdrop, the Multi-Annual Indicative Programme (MIP) 2021-2027 for Lesotho focusses on two priority areas: (1) green and resilient economy – contributing to the Green Deal Team Europe Initiative for Lesotho and (2) good governance, peaceful and just society. Under the first priority area, EU cooperation aims to facilitate

¹ https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/Ldc_list.pdf

² <https://data.worldbank.org/indicator/NY.GNP.PCAP.CD?locations=LS>

³ <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=LS>

⁴ <https://data.worldbank.org/indicator/SP.POP.GROW?locations=LS>

⁵ ND Global Adaptation Index, 2019