



1. CAS/CPS Data	
Country: The Kingdom of Lesotho	
CAS/CPS Year: FY 10-14	CAS/CPS Period: FY10- FY14
CLR Period: FY10- FY14	Date of this review: June 21, 2016

2. Ratings		
	CLR Rating	IEG Rating
Development Outcome:	<i>Moderately Satisfactory</i>	<i>Moderately Unsatisfactory</i>
WBG Performance:	<i>Fair</i>	<i>Fair</i>

3. Executive Summary
<p>i. Lesotho is a small, mostly mountainous and landlocked country with a largely rural population of over 2 million in 2014. It is a lower middle country with a GNI per capita of \$1,330 in 2014. Lesotho has a highly open economy, and relies heavily on revenues from the Southern African Customs Union (SACU) to finance large government expenditures. The economy grew at an annual average of 4.5 percent from 2010-2014 led by mining and construction sectors. Economic growth in the past decade, however did not translate to reduction in poverty rates. Poverty in Lesotho is highly concentrated in isolated rural areas where 80 percent of the population resides. Inequality as measured by the Gini index of 54 is high with respect to comparable countries in the lower middle income category. Despite high government expenditures on social services, the social indicators in health and education remained unchanged. Lesotho's ranking of 161 (of the 173) in the Human Development Index (HDI) places the country at the low end of the HDI. Lesotho's wage bill of 21 percent of GDP in 2014 is the highest in Sub-Saharan Africa (SSA), and with the expected fall of SACU revenues, the need for fiscal adjustment and more efficient use of public services are even more critical. Lesotho's Country and Policy Institutional Assessment (CPIA) rating dropped to 3.4 in 2011 and 3.3 in 2014, from 3.5 since 2005; albeit slightly higher than the SSA average of 3.2 in 2014; due in part to a lower rating in public sector management and institutions cluster.</p> <p>ii. The Bank's Country Assistance Strategy (CAS) covering the period FY10-14¹ was prepared within the context of a challenging macroeconomic and fiscal environment following the global financial crisis in 2008. During the CAS period, drought and political developments in 2012 and 2014 contributed to an already difficult operating environment. Through a combination of investment and policy lending, analytical work and advisory services, the World Bank Group (WBG) supported the Government in three broad areas in fiscal adjustment and public sector efficiency, human development and improving service delivery and competitiveness and diversification. The Bank's support was broadly in line with</p>

¹ The CAS period was extended to FY 15 to accommodate political developments in the country in 2014-15.

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the government's 2020 Vision, Interim National Development and the National Development focus on poverty reduction, job creation, inclusive growth and public sector development.

iii. WBG's small IDA portfolio in Lesotho was leveraged through co-financing with other development partners and partnerships with global trust funds, including the Fast Track Initiative (FTI) for Education and Global Partnership in Output Based Aid (GPOBA) to support interventions in health, education and water where the Bank is not a major player. During the CAS period, the Bank's lending portfolio consisted of IDA credit in the amount of \$229.2 million, combined with IDA grants and trust funded activities of \$65 million. In addition, the Bank provided several analytical pieces and technical assistance in response to the government's request.

iv. IFC's support was primarily through advisory services in the form of Public Private Partnership (PPP). During the CAS period, there were nine PPPs under implementation, mostly in the health sector, that included a joint PPP work with GPOBA to construct and operate a new public hospital that replaced the old one and three regional filter clinics in the Maseru area which was developed in the previous CAS under the World Bank Health Sector Reform Project.² The PPPs, particularly on health introduced innovative approaches in performance based outputs which turned out to be complex and fiscally unsustainable in the context of a country with weak institutional and regulatory environment.

v. Focus Area I did not perform well: the envisaged outcomes of fiscal consolidation, reduction in wage bill and strengthening PFM were not achieved. While progress was noted in the institutional capacity of the Bureau of Statistics, the link of this indicator to better service delivery is tenuous. Focus Area II had mixed results. While there was substantial progress in increasing annual visits to the new referral hospital and filter clinics, albeit at great cost to the government; and in connecting targeted population to piped water supply; the reported achievement of other indicators, either could not be verified or their link to Bank interventions is weak. Finally, Focus Area III was successful in improving the quality of national roads and in expanding the mandate of the Lesotho Electricity Authority (LEA) towards improving regulation of infrastructure services. Targets were achieved in streamlining business procedures at the project level, but the overall ranking of Lesotho in Doing Business dropped by 4 points in 2016; while there was limited progress in trade facilitation and export diversification. In sum, of the total six objectives, IEG rates the four objectives as Not Achieved/Partially Achieved, and the two objectives as Mostly Achieved/Achieved.

vi. The original program was over ambitious and complex for a country with a small lending envelope and limited institutional capacity. The proposed interventions included a wide range of sectors including health, transport, education, infrastructure, energy, and PFM. The lack of selectivity and ambition in scope and coverage did not fare well in the context of limited institutional capacity and evolving political developments during the remaining half of the CAS period. The results framework reflected the ambition and lack of selectivity of the portfolio, and had significant shortcomings, including weak links between some outcome indicators and Bank interventions (for example HIV/AIDS and secondary education) and the output oriented nature of some of the outcome indicators. While there were refinements in the outcome indicators during the CASPR, the overall effect did not change the quality and measurability of indicators. The planned analytical work was robust and while some key pieces were undertaken such as the PER and ROSC; other equally important items that are critical such as governance and capacity development to anchor all analytical work did not materialize. Other key analytical work on poverty and gender assessment were also not undertaken during the CAS period.

² Through PPP, Tsepong was selected through a competitive bidding process to design, build and partially finance and fully operate the new hospital (Queen Mamohato Memorial Hospital, QMMH) for a period of 18 years; as well as to refurbish two filter clinics and construct a new filter clinic that together would form the health network. The QMMH was opened in 2011 and the filter clinics on 2010. The Borrower's plan to develop the design, construction and equipping of QMMH was supported through the Bank's Health Sector Reform Project (P076658) in the amount of \$1.3 million. The project closed in 9/30/2009.



vii. IEG concurs with the lessons of the CLR including the need to have a more focused strategy based on analytical work with strong results linkages from objectives to interventions to outcomes to ensure robust attribution; working at country level to develop client capacity across the board and taking into account systemic/country level issues in the design and implementation of Bank interventions; programmatic approach to Bank interventions, working closely with development partners, maintain engagement through analytical work when the government lacks interest in reforms; and finally, to build on IFC and Bank joint collaboration and replicating areas that worked.

viii. IEG provides the following additional lessons: *First*, introducing innovative approaches such as PPPs and performance based financing in a weak institutional capacity environment requires risk assessment and identification of risk mitigation and effective coordination and understanding of shared responsibility for results and risks by the Bank and IFC. In the case of the PPP undertaking in the Lesotho Hospital Project, there was expectation that it was a high risk and high reward project but the risk assessment was minimal. While there is evidence of improved utilization of health facilities and effective delivery of services, the full extent of the risk of fiscal burden and sustainability was not considered at the outset. IEG's Evaluation of PPPs (2014) recommends that to better improve PPPs, WBG should systematically assist governments in making strategic decisions on the level and nature of PPP, in assessing fiscal sustainability and in defining the principles for monitoring PPPs in the long run. *Second*, in an environment where the Bank is not a major player but contributes to a bigger undertaking involving other donors, it is critical to set the program objectives and indicators that can be clearly linked to the Bank's interventions and to explicitly discuss the contribution of other donors to the program objectives to ensure proper attribution and set the ambition of the program accordingly.

4. Strategic Focus

Relevance of the WBG Strategy

1. **Congruence with Country Context and Country Program.** Lesotho is a small, mostly mountainous and landlocked country with a largely rural population of over 2 million in 2014. It is a lower middle country with a GNI per capita of \$1,330 in 2014. Lesotho has a highly open economy, with its currency pegged to the South African rand. Lesotho relies heavily on revenues from the Southern African Customs Union (SACU) which is highly volatile. The economy grew at an annual average of 4.5 percent from 2010-2014 led by mining and construction sectors. Poverty in Lesotho is highly concentrated in isolated rural areas, with rural poverty increasing at 61.8 percent in 2010 (from 60.9 percent in 2000) while urban poverty declined to 36.6 percent (from 39 percent in 2000). The Gini coefficient increased to .54. Despite high public expenditures on social services, the country's social indicators in health and education showed little or no improvements. Lesotho has the third highest prevalence rate in HIV/AIDs after Swaziland and Botswana, and one of the highest maternal mortality in Sub-Saharan Africa. The Bank's Country Assistance Strategy (CAS) was prepared within the context of a challenging macroeconomic and fiscal environment following the global financial crisis in 2008. During the CAS period, drought and political developments in 2012 and 2014 contributed to an already difficult operating environment. Through a combination of investment and policy lending, analytical work and advisory services, the World Bank Group (WBG) supported the Government in three broad areas including fiscal adjustment and public sector efficiency, human development and improving service delivery and competitiveness and diversification. The Bank's support was broadly in line with the government's 2020 Vision, Interim National Development and the National Development focus on poverty reduction, job creation, inclusive growth and public sector development.

2. **Relevance of Design.** The CAS areas of engagements in fiscal adjustment, private sector development, human development and infrastructure were broadly aligned with the government's priorities and goals. The set of interventions could plausibly achieve the CAS objectives and contribute to the government's goals. The combination of investment lending and policy lending along with advisory services and technical assistance provided the core basis of WBG's support to the country.



However, some of the program objectives are not well linked to the Bank's interventions and their envisaged outcomes, which made the program weaker. The analytical work fed into lending and the mix of instruments was generally appropriate. IFC's advisory services through the PPPs were envisaged to support the government in enhancing private sector involvement in improving service delivery in key priority areas in health, tourism and energy in close collaboration with the Bank. The Bank also worked closely with other development partners either through co-financing in key sectors in transport and water and managing global funds in health (GPOBA) and education (FTI), and in analytical work (IMF).

3. The major assumptions to achieve the objectives were based on the principles of selectivity and leveraging IDA's limited resources and government commitment to pursue the reform agenda agreed with the Bank. Underpinning the reform agenda was the strengthening of good governance and capacity and embedding institutional strengthening and capacity across all interventions. While there were attempts to adhere to the principles of selectivity, the range of Bank interventions was quite diverse and fragmented. Some of the interventions suffered from ambition in scope and design, and complexity in the context of weak government and private sector capacity. IFC supported PPPs turned out to be complex in the context of weak government capacity and lack of regulatory environment, and have implications on sustainability and fiscal space of the government. The political developments following the elections in 2012 and the subsequent political instability that ensued in 2014 which was not originally anticipated undermined efforts at fiscal adjustment and consolidation and in delaying implementation of interventions that are critical to achieving the CAS objectives and the country's goals.

Selectivity

4. The range of program interventions is indicative of limited selectivity. While the WBG engagement focused on three areas, the mix of interventions including lending, advisory work and technical assistance was spread across different sectors, including in health, transport, water, agriculture, urban, infrastructure, private sector development and PFM. In the context of a limited IDA envelope and a challenging institutional capacity environment, the distribution across several sectors and cross-cutting issues undermined the principles of selectivity. While IFC's interventions focused on advisory work through PPPs and implemented four out of nine in the health sector, it also covered tourism and energy sectors. The PPPs were intended to help government improve service delivery and reduce reliance on government financing. For the Lesotho Hospital PPP, despite some positive health and other outcomes reported in the external evaluation in 2013, the hospital placed a high financial burden for the government. The suitability of PPPs for other sectors also posed challenges due to weak local capacity to manage contracts.

Alignment

5. WBG's twin goals were not articulated at the time of CAS preparation and CAS progress report (CASPR). However, the CAS objectives were aligned with the corporate goals and with the national development goals of growth and access to basic services, albeit indirectly. The CAS' three focus areas on fiscal adjustment, human development and competitiveness and diversification are linked with growth; and the focus on service delivery on health and education are indicative of the links to shared prosperity.

5. Development Outcome

Overview of Achievement by Objective:

6. The CAS for FY10-14 had three focus areas: (i) fiscal consolidation and public sector efficiency, (ii) human development and improved service delivery, and (iii) enhanced competitiveness and



diversification. Each focus area had two objectives or a total of six objectives. The CASPR maintained the same number of focus areas and objectives, with some indicators either dropped or new ones added.

Focus Area I: Fiscal Adjustment and Public Sector Efficiency

7. Focus area I had two objectives: fiscal adjustment and increased public sector efficiency and strengthen Public Financial Management (PFM) and institutional capacity to deliver better services. These two objectives were supported by a combination of IDA credits and grants through development policy and investment lending, and several pieces of analytical work in support of Bank's lending.

8. **Objective 1: Fiscal adjustment and increased public sector efficiency.** The Bank supported this objective through a series of three Poverty Reduction Support Credits (PRSCs, FY10/FY11) and the first of the three Development Policy Grant (DPG1) on Growth and Competitiveness (FY13). This objective had three outcome measures. Fiscal adjustment as measured by: Non- SACU balance as a share of GDP remained at 28.6 percent at the end of the CPS period, not meeting the target of 22 percent. The target of reducing the wage bill to 16 percent as a share of GDP was also not met; the wage bill to GDP rose to 21 percent (2013/14) and 21.6 percent (2014/15). Progress was noted on the third indicator: as of June 2015, all capital projects financed by government and external donors submitted and approved by the Public Sector Investment Committee followed the new project cycle management process. Overall, the fiscal consolidation envisaged during the CPS period was not achieved due to substantial fiscal relaxation to expand public employment after the elections. Lesotho's wage bill as a percentage of GDP is the highest in Sub-Saharan Africa. On balance, this objective is rated *Not Achieved*.

9. **Objective 2: Strengthen PFM and Institutional Capacity to Deliver Better Services.** This objective was supported through the PRSC series (FY10/FY11) and DPG1 (FY13) and the Public Financial Management (PFM) TA Project (FY14); as well as analytical and advisory work, including a Public Expenditure Review (PER) and a joint WB and IMF Report on the Observance of Standards and Codes (ROSC) on accounting and auditing, and an IDF grant for the Lesotho Institute of Accountants Capacity Development. The PRSC series which already closed and reviewed by IEG, supported the Government in the preparation of MTEF and in the rolling out of the IFMIS. However, the PFM TA which is envisaged to support the Government to improve the quality and timeliness of PFM information experienced significant delays, and has not made any progress in contributing to this objective. Both the DPG1 and the PFM TA project are rated Moderately Unsatisfactory per the latest Management assessment. The progress on three PEFA indicators for 2014 is not available since the updating of PEFA indicators is not planned until June 2016. Using the 2012 PEFA assessment, indicator P1-12 showed improvements in score from C+ (2009) to B (2012); while the PEFA scores for P1-24 (quality and timeliness of budget reports) and PEFA P1-28 (legislative scrutiny of external audit reports) remained unchanged in 2012 from its D+ score in 2009 (versus the target of C in 2014). The institutional capacity to deliver better services was to be measured by the Bureau of Statistics' (BoS) ability to prepare and disseminate a six month calendar for posting statistical products on the BoS website. At the end of the CPS period, the BoS prepared a six month calendar for posting statistical products on its website, but only some of the reports placed in the calendar were actually published online. It is noted that this indicator does not adequately capture the institutional capacity for better service delivery dimension of this objective. On balance, this objective is rated *Partially Achieved*.

10. Taking into account the individual rating of objectives 1 and 2, IEG rates this Focus Area I as **Unsatisfactory**. Fiscal consolidation, reduction in wage bill and strengthening PFM were not achieved, while progress was noted in the institutional capacity of BoS, albeit the link of this indicator to better service delivery is tenuous at best.



Focus Area II: Human Development and Improved Service Delivery

11. Focus Area II had two objectives: (i) reverse trends in health and improve access to services and (ii) build skills for enhanced competitiveness and improve incentives. These objectives were supported by a combination of investment lending, TA project and two IFC PPP project in the health sector.

12. **Objective 3: Reverse Trends in Health and Improve Access to Services.** WBG supported this first objective through the HIV/AIDs TA Project (FY10), the GPOBA financed Maternal and Newborn Health Project (FY08)³ and its follow-on operation, Maternal and Newborn Health PBF (FY13) and the Water Sector Improvement Project and its Additional Financing (FY05) and its second phase (APL2, FY09). Three indicators were tracked during the CAS period to measure improvements in health outcomes. The first indicator: the average health facility quality of care score for target districts, Leribe and Quthing was reported to have been achieved (70.7 percent), exceeding the target of 50 percent. However, the latest ISR (12/2015) reported no progress on this indicator and the project is currently rated Moderately Unsatisfactory (MU)⁴. The second indicator: percentage of pregnant women delivering in health facilities was reported to have been achieved at 76.5 percent in 2015 (versus the target of 60 percent in 2014). While this indicator was reported in the latest ISR, it is noted that the project only became effective in 2014 and is currently rated MU, and hence, raises the issue of attribution. The third indicator: annual visits to the new national referral hospital (including the three filter clinics) was exceeded at 377,000 in 2015 (versus the target of 285,000 in 2012). The increased utilization of the newly built hospital was leveraged using GPOBA funds to front end the PPP operator may have been achieved at a high cost⁵ in light of constrained government capacity to manage contracts with the private sector. The Region provided additional information noting improvements in maternal mortality ratio (MMR) and under five mortality rates and infant mortality rates per the 2014 Demographic Health Survey (DHS) and attributing these improvements to the Lesotho Hospital PPP. However, the changes are not statistically significant. According to the DHS “there is no evidence to conclude that the maternal mortality ratio has changed over the last decade”. Overall, it is not clear how national level outcomes can be attributed to a single Bank intervention. Two additional indicators measured access to services. The first indicator: coverage of all HIV+ eligible for Anti-Retroviral Treatment (ART) was reported to reach 35% (versus the target of 42%). This indicator is not supported and reported under the HIV/AIDS TA which focuses on capacity building of government agencies and civil society organizations to implement the National HIV and Strategic Plan, and raises the issue of attribution. The second indicator: percentage of the population within the program target areas connected to piped water supply was reported to have been exceeded at 88.3 percent of the urban population (versus the target of 85 percent) but this number could not be verified using the latest ISR for the follow on operation. The first phase of WSIP reported improved access to clean water of 273,310 households at the time of closing (from a baseline of 171,375). Given the overall direction of all five indicators versus the program targets, this objective is rated *Partially Achieved*.

13. **Objective 4: Building Skills for Enhanced Competitiveness and Improving Incentives.** This objective was supported through the Fast Track Initiative (FTI) Basic Education Project and analytical work on education and economic growth. Three indicators were monitored during the CAS period. The first indicator of percentage of classrooms meeting national quality standards increased had

³ This operation was designed to support a larger public-private partnership (PPP) to construct a new main public hospital, Queen Mamohato Memorial Hospital (QMMH) and refurbish/re-equip three regional filter clinics.

⁴ The draft WBG CPF (p. 29) cites the same indicator and provides a baseline of 43.8 percent (2013) and target of 60% (2019). May 10, 2016 version.

⁵ According to several studies on Lesotho Hospital PPP, the QMMH is delivering better quality services to more patients (Mcinstosh et al. 2015), but the cost of sustaining it has become a considerable burden to the government and the institutional reforms are too complex and not well understood given weak institutional capacity environment (Vian and Bicknell, 2014). MOH allocates 79 percent of health care spending to two main domestic providers including Tsepong for QMMH (CPF, p.18).



not been measured and reported in the Bank's completion report. The net enrollment rate (NER) in secondary schools was reported to have been met at 37.7 percent; but this figure cannot be verified. The Basic Education Project supported only primary education while the secondary school funded by the Bank closed in FY09 prior to the CAS period. The indicator on the decline in shortfall of qualified teachers at primary level was introduced at the CASPR; however, the indicator was eventually dropped and not monitored with the restructuring of the FTI Basic Education Project. The CLR provided a proxy indicator of pupil to qualified teacher ratio of 45:1 (versus the target of 50). However, IEG's review cited that unqualified teachers were overrepresented in mountainous or difficult to reach areas. It is noted that none of these indicators directly measured skills building and its contribution to enhanced competitiveness and incentives. Given the evidence provided, this objective is rated *Partially Achieved*.

14. Given the rating of Objectives 3 and 4, IEG rates Focus Area II as **Moderately Unsatisfactory**. There was substantial progress in increasing annual visits to the new referral hospital and filter clinics albeit at great cost to the government, and in connecting targeted population to piped water supply. While there was reported achievement in other indicators, either they could not be verified using the latest Management assessment or their link to Bank intervention is weak.

Focus Area III: Enhanced Competitiveness and Diversification

15. Focus area III had two objectives: (i) improvement in business environment, trade facilitation and diversification and (2) reducing the infrastructure gap and improving capacity to regulate infrastructure services. WBG supported this focus area by a mix of investment and policy lending, and various advisory work.

16. **Objective 5: Improve Business Environment, Trade Facilitation and Export Diversification.** Bank support was provided through a number of lending operations including the Private Sector Competitiveness and Economic Diversification Project (FY06) and the follow-on operation, Private Sector Development Competitiveness Project (FY14) and the first Growth and Competitiveness DPF (FY13), the Integrated Transport Project (FY07) and its Additional Financing, and the Smallholder Agriculture Development Project (FY11). Four indicators were monitored to assess progress towards improving business environment: (i) the time taken to register a business declined to less than 14 days meeting the target; (ii) the time taken to start a business was reduced to 29 days (compared to the target of less than 29); (iii) the time taken to get an industrial license was reduced to 5 days (versus the target of <7 days); and (iv) the number of rural population with access to an all season road reached 77,000 beneficiaries compared to the target of 9,370. However, the *Doing Business in 2016* indicates a drop in Lesotho's ranking by 4 points (114 from 110 in 2015). At the end of the CPS period, a computerized customs management covering most foreign trade procedures was implemented but not the envisaged single clearance system with a functioning single window. At the end of the CAS, only 372 targeted beneficiaries adopted improved production technologies or farming practices in target areas, indicating limited progress towards the target of 1000 beneficiaries by 2014 and reflecting implementation delays in the Smallholder Agriculture Development Project. This objective is assessed as *Mostly Achieved*.

17. **Objective 6: Reducing the infrastructure gap and improving capacity to regulate infrastructure services.** The Bank's support for this objective was provided through Water Sector Improvement Project with two Additional Grants and an Additional Credit Financing, the Integrated Transport Project with Additional Credit and Grant; combined with policy notes on water, a study on regulatory model for electricity. The percentage of roads classified as good, stood at 38% (versus the target of 39%) and roads classified as fair, increased to 50% (versus the target of 46%; indicating improvements in the quality of national road network. The expansion of the Lesotho Electricity Authority (LEA) to include water regulation was approved by the Parliament in 2011, and the envisaged plan to regulate by contract is in place. This objective is rated *Achieved*.

18. Given the rating of Objectives 5 and 6, IEG rates Focus Area III as **Moderately Satisfactory**. Substantial progress was noted in improving the quality of national roads and in expanding the mandate



of LEA as a step towards improving regulation of infrastructure services. Although targets were achieved in streamlining of business procedures at the project level, the overall standing of Lesotho in the Doing Business ranking dropped by 4 points in 2016. There was limited progress in trade facilitation and export diversification.

Overall Assessment and Rating

19. IEG rates the development outcome of the CAS as **Moderately Unsatisfactory**. The original program design was ambitious given the institutional capacity constraints and limited IDA envelope. Although there were changes introduced during the CASPR, the shift did not change the overall ambition and fragmentation in the WBG's interventions. Bank interventions in transport and water did well and were scaled up, and while some successes were noted in health and improving business environment. Other Bank interventions supporting fiscal consolidation, PFM strengthening and export diversification did not fare well due to in part to exogenous factors. Other interventions provided modest results- the HIV/AIDs TA while critical in improving implementation capacity- the outcome indicator to measure progress is tenuous and could not be verified. On education, the indicators were not well aligned with the objectives and the interventions; while the health indicators could not be verified. IFC's role was envisaged as a transactions advisor to government on PPP matters. While the PPP for the hospital network was successfully concluded, there are concerns about the high cost of sustaining the 18 year contract with the private provider especially in the context of fiscally constrained public sector.

Objectives	CLR Rating	IEG Rating
Focus Area I: Fiscal Adjustment and Public Sector Efficiency		Unsatisfactory
<i>Objective 1: Fiscal Adjustment and Increased Public Sector Efficiency</i>	<i>Not Achieved</i>	<i>Not Achieved</i>
<i>Objective 2: Strengthen PFM, Statistics and Institutional Capacity to Deliver Better Services</i>	<i>Partially Achieved</i>	<i>Partially Achieved</i>
Focus Area II: Human Development and Improved Service Delivery		Moderately Unsatisfactory
<i>Objective 3: Reverse Negative Trends in Health and Improve Access to Services</i>	<i>Mostly Achieved</i>	<i>Partially Achieved</i>
<i>Objective 4: Build Skills for Enhanced Competitiveness and Improve Incentives</i>	<i>Partially Achieved</i>	<i>Partially Achieved</i>
Focus Area III: Enhanced Competitiveness and Diversification		Moderately Satisfactory
<i>Objective 5: Improve Business Environment, Trade Facilitation and Export Diversification</i>	<i>Mostly Achieved</i>	<i>Mostly Achieved</i>
<i>Objective 6: Reducing the Infrastructure Gap and Improving Capacity to Regulate Infrastructure Services</i>	<i>Achieved</i>	<i>Achieved</i>

6. WBG Performance

Lending and Investments

20. At the start of the CAS period, IDA had five ongoing investment lending operations in water, transport, private sector and health sector totaling \$77.2 million. In addition, there were six trust funded/grant funded activities in health, transport, PFM, rural energy, education and conservation with a total value of \$38.2 million.



21. During the CPS period, 12 new operations and two Additional Financing (transport and water) were planned amounting to \$168.1 million to support a diverse set of interventions including: HIV/AIDs, transport, agriculture, water, health (maternal and child health), urban development, infrastructure development, private sector development and PFM. Four new policy lending were also planned for during the CPS, including a series of PRSCs (II-VI). At the end of the CAS, a total of eight operations (of the 12 planned), two Additional Financing (AF) and one unplanned AF (WSIP 2 Phase 2 hydro) were approved while the remaining four planned operations projects were dropped, in part due to limited IDA envelope resulting from lower CPIA rating for Lesotho and due to weak macroeconomic environment in the case of the two follow on operations to DPG1. Total approvals at the end of the CAS period was \$152 million, slightly lower than the planned lending at the beginning of the CAS period.

22. Based on the closed projects reviewed by IEG, Lesotho's performance (average of 85.7 percent of satisfactory outcome rating) compares well with the Africa region (65 percent) and the rest of the Bank (70.7 percent). IEG reviewed seven ICRs including the three PRSC series, health, education, water, private sector development and education. Six of the operations were rated Moderately Satisfactory while one was rated Moderately Unsatisfactory. The risk to development outcome for three operations were rated Significant and the other three were rated Moderate.

23. In terms of active portfolio performance, Lesotho performs well compared to the Africa region, but less well with the rest of the Bank as measured by project at risk and disbursement ratio. Lesotho's project at risk stood at 24 percent (in terms of number of operation) or 19.3 percent (in terms of commitments). Comparable figures for the Africa region were 22 percent and 26.9 percent, respectively; while the Bank's project at risk figures were at 20.2 percent and 18.8 percent, respectively. On disbursement ratio, Lesotho had a slightly higher ratio (23 percent) than the Africa region (22 percent) and Bank-wide (22 percent). This figure belies the implementation challenges experienced by a number of active operations during the CPS period, in part due to design complexity, implementation delays due to political developments during the remaining half of the CAS that delayed restructuring and fiduciary issues that slowed down disbursement.

24. IFC had no investments during the CAS period.

25. MIGA had no active project in Lesotho during the CAS period.

Analytic and Advisory Activities and Services

26. During the CAS period, IDA delivered several analytical and advisory work (AAA) involving nine economic and sector work (ESW) and eight technical assistance (TA). The ESW included a variety of topics including a health sector review and public expenditure review, a ROSC on auditing and accounting, education and growth, public investment management, social safety net, debt management and investment climate. The TA work also covered a wide range of issues including, flood disaster management, pension and legal and regulatory framework, regulatory models for electricity, among others. The actual delivery of AAA deviated from the original plan to anchor all the AAA work on Governance and Capacity Development which did not materialize. At the end of the CAS period, a number of AAA was not delivered including a planned poverty and gender assessment. The gender assessment study and poverty assessment were delivered in FY 16.

27. IFC had two advisory services (AS) approved prior to the CAS and were active during the CAS in the amount of \$1.3 million. During the CAS, an additional seven new AS were approved amounting to over US\$5.0 million. In total, IFC had nine AS mostly in the form of PPPs primarily in health (four of 9 PPPs), including hospital waste management for a total amount of \$6.3 million. Of the nine AS, two were terminated, five closed, and two were active at the end of the review period. Of the five closed PPPs, two were rated Mostly Successful or better for Development Effectiveness. Of the two projects that were active at the end of the review period, one has closed but a project completion report has not

yet been prepared. The other, which involved upstream work to assess potential for Wind Power PPP is being terminated because the technical work proved that the project is not viable.

Results Framework

28. Broadly, the results framework articulated the links between the country level goals and major development challenges and issues with the program objectives and the associated milestones, outcomes and indicators. While the results chain from country development goals to program objectives was generally convincing, the results framework reflected the lack of criticality and focus of some of the Bank's interventions. The causal chain between the Bank's interventions and the objectives were clear in some areas (transport and water), but not in others (for example on education). Some of the outcome indicators do not clearly measure the objectives (objective 4, build skills), or the outcome indicators are not linked to Bank interventions or not explicit in terms of its link to the objectives (Objectives 3, health and 4/education), and hence the attribution is tenuous. Most of the indicators have baseline and data, and target dates. Some indicators cannot be verified because they are either have been dropped from the project intervention supporting the objective (health and education), or the intervention was completed prior to the CAS (secondary education). Some refinements were introduced during the CPSPR, with indicators dropped due to lack of data or measurability, and new ones added; but the overall effect did not change the quality and measurability of indicators.

Partnerships and Development Partner Coordination

29. The Bank worked closely with development partners in Lesotho, both bilateral and multilateral, in lending and analytical work. The Bank collaborated with several development partners, either through joint or parallel financing across different sectors including in areas where the Bank is not a major player (HIV/AIDS, and water). According to the CLR, the Bank played a leadership role in the coordination of donors in the water sector such as the Metolong Dam and Water Supply Project (MDWSP) which involved a significant number of donor/financiers. IDA also worked closely with the African Development Bank, the European Union, and the IMF on macroeconomic reforms and budget support operations. The Bank had joint co-financing with the European Union in the transport sector and parallel financing in HIV/AIDs and MDWSP. However, the contribution of donor partners in the CAS objectives are not explicitly reflected in the results framework.

Safeguards and Fiduciary Issues

30. Of the projects that closed and evaluated by IEG during the period, environmental and social safeguards were complied with in a satisfactory manner with few minor weaknesses. In water, non-compliance with environmental safeguards identified during supervision mission was addressed through four post-construction audits and mitigation measures had been successfully completed. The Bank team emphasized the importance of continuous oversight and management of the contractors and importance of securing required environmental licenses. In health, there were some delays in implementing the National Medical Waste Management plan, which was later addressed by ongoing support funded by external partners (Millennium Challenge Corporation).

31. According to the Vice Presidency for Integrity (INT), there were four complaints filed during the CAS period, but none were substantiated.

Ownership and Flexibility

32. There was broad commitment and engagement with the Government in the design of the CAS and intensive consultation was undertaken to obtain buy-in with key stakeholders in the country. During implementation, the country experienced political changes in 2012 that continued throughout 2014. The interim National Development Strategy (INDS) was replaced with the National Development Strategy which complemented and at the same time, expanded the goals of the INDS. During the CASPR, it was



felt that the CAS focus areas and objectives remained relevant and were not changed. There were modifications in indicators and targets but the changes did not signal significant shift in focus. Given the political instability at the time of the CASPR, maintaining the status quo may have been justified, but it was also a missed opportunity to further streamline the program scope given institutional capacity constraints.

WBG Internal Cooperation

33. The collaboration between IFC and the Bank was limited. The CAS and CASPR mentioned collaboration between IFC and the Bank through advisory services in the form of PPPs and its role as transactions advisor to the government. Noteworthy was a PPP to build and operate Lesotho's new National Referral Hospital. The role of IFC was reflected in the results framework in the health sector PPP (Objective 3) but not in other sectors where PPP initiatives were also introduced but were not directly linked to any of the CAS objectives (for instance, PPP on tourism and energy), and hence were not reflected in the results framework. The limited evidence suggests that the collaboration remained at the strategic level, and was superficial at best at the implementation level. IEG's ICR review of the Lesotho PPP Hospital noted that there seemed to have been strong collaboration between IDA and IFC at the design phase; however, the PPP agreement was not shared with the IDA/GPOBA team and hence the joint implementation arrangement was not fully understood. Issues of regulatory, sustainability and fiscal implications that would later arise from the PPP would have been anticipated and mitigated were the two effectively worked together.

Risk Identification and Mitigation

34. The CAS appropriately identified three risks: the difficult scope and scale of the required fiscal adjustment; limited implementation capacity and weak institutions; and weak demand for governance. However, the political instability that ensued during the CAS period was not anticipated. While the three risks were appropriately identified the mitigating measures were not sufficiently robust and the implementation was weak. The sharp decline in SACU revenues was envisaged and the mitigating measures were to significantly contain fiscal imbalances and reduce the role of government over the medium term. While the drop in SACU revenues rebounded three years after a sharp decline in 2010-2011/2011-2012, its drop in recent years and expected further decline in the coming years are already manifested in the declining share of SACU revenues to GDP and the increasing role of the public sector reflected in the size of the wage bill to GDP. The risk of implementation capacity and weak institutions was to be mitigated by aligning the CAS priorities with the government through program selectivity and working jointly with development partners to put in place sustainable arrangements to implement reforms. Weak governance was to be mitigated by building government capacity to implement reforms but the work on governance and capacity building that was to anchor all AAA work did not materialize.

Overall Assessment and Rating

35. IEG rates WBG performance as **Fair**. The selection of focus areas was broadly aligned with the government priorities and the proposed mix of instruments of lending, AAA (ESW and TA) were sufficiently robust to achieve the desired outcomes. The program had strong collaboration with other development partners either through co-financing or joint analytical work. Government commitment was present at the start of the CAS but it evolved during the review period due to political developments and political changes that ensued in 2012 and continued through the end of the CAS period. The risks were adequately identified, but mitigating measures were not sufficiently robust. While the intent was to embed institutional capacity and governance across different interventions in line with institutional capacity, the design interventions supporting the program objectives were generally ambitious and complex, and broad in scope. The results framework demonstrated plausible links to the objectives and the indicators were reasonably specified with baseline and targets, but there were significant shortcomings: some indicators do not measure the objectives, and others (including achievement of actual targets) could not be verified due to tenuous links between the Bank's interventions and the indicators. While the results framework was adjusted during the CASPR it was not significantly changed

to streamline and adjust to the evolving political development and complexity and ambition of the interventions. The diffused nature and wide scope of interventions and the complex design features of some of the Bank's interventions (including output based /performance based approach) provided a challenge in a weak institutional capacity environment. While there was strategic engagement between the Bank and IFC through the PPP in health through the Lesotho Hospital Project, there was clearly room for improving collaboration at implementation and understanding of the shared results.

7. Assessment of CLR Completion Report

36. The CLR was candid, clear and consistent with the CAS and CASPR objectives. There was adequate evidence to support the assessment, and supplemental ones were added, as applicable. The ratings were generally consistent with the evidence provided in the assessment of development outcomes and WBG performance. However, some indicators and targets could not be verified. Given the sizable number of development partners in Lesotho, a more robust and explicit discussion of the nature and quality of Bank interaction with other development partners, as well as the Bank's internal collaboration with IFC and MIGA would have been useful. Given the involvement of other donors in a number of operations, the CLR could have highlighted their specific contributions in delivering on the program results. The CLR is less critical on its assessment of IFC performance and glossed over on the issues related to PPP experience in Lesotho.

8. Findings and Lessons

37. IEG concurs with the lessons in the CLR including the need to have a more focused strategy based on analytical work with strong results linkages from objectives to interventions to outcomes to ensure robust attribution; working at country level to develop client capacity across the board and taking into account systemic/country level issues in the design and implementation Bank interventions; programmatic approach to Bank interventions, working closely with development partners, maintain engagement through analytical work when the government lacks interest in reforms; and finally, to build on IFC and Bank joint work and replicating areas that worked.

38. IEG provides the following additional lessons: *First*, introducing innovative approaches such as PPPs and performance based financing in a weak institutional capacity environment requires risk assessment and identification of risk mitigation and effective coordination and understanding of shared responsibility for results and risks by the Bank and IFC. In the case of the PPP undertaking in the Lesotho Hospital Project, there was expectation that it was a high risk and high reward project but the risk assessment was minimal. While there is evidence of improved utilization of health facilities and effective delivery of services, the risk of fiscal burden and sustainability was not considered at the outset. IEG's Evaluation of PPPs⁶ recommends that to better improve PPPs, WBG should systematically assist governments in making strategic decisions on the level and nature of PPP, in assessing fiscal sustainability and in defining the principles for monitoring PPPs in the long run. *Second*, in an environment where the Bank is not a major player but contributes to a bigger undertaking involving other donors, it is critical to set the program objectives and indicators that can be clearly linked to the Bank's interventions and to explicitly discuss the contribution of other donors to the program objectives to ensure proper attribution.

⁶ IEG (2014). World Bank Group Support to Public-Private Partnerships: Lessons from Experience in Client Countries, FY02-12.



Annex Table 1: Summary of Achievements of CPS Objectives

Annex Table 2: Planned and Actual Lending, FY10-15

Annex Table 3: Grants and Trust Funds Active in FY10-15 (in US\$ million)

Annex Table 4: Analytical and Advisory Work for Lesotho, FY10 - FY15

Annex Table 5: IEG Project Ratings for Lesotho, FY10-15

Annex Table 6: IEG Project Ratings for Lesotho and Comparators, FY10-15

Annex Table 7: Portfolio Status for Lesotho and Comparators, FY10-15

Annex Table 8: Disbursement Ratio for the Lesotho, FY10-15

Annex Table 9: Net Disbursement and Charges for Lesotho, FY10-15

Annex Table 10: List of IFC Investments in Lesotho

Annex Table 11: List of IFC Advisory Services for Lesotho

Annex Table 12: IFC Net Commitment Activity for Lesotho

Annex Table 13: Total Net Disbursements of Official Development Assistance and Official Aid for Lesotho

Annex Table 14: Economic and Social Indicators for Lesotho, 2010 – 2015

Annex Table 1: Summary of Achievements of CPS Objectives

	CPS FY10-FY15 – Focus Area 1: Fiscal Adjustment and Public Sector Efficiency	Actual Results (as of current month/year)	IEG Comments
Major Outcome Measures	1. CPS Objective: Fiscal Adjustment and Increased Public Sector Efficiency		
	Fiscal Adjustment Indicator: Non-Southern African Customs Union (SACU) balance as a share of GDP improved. Baseline: Deficit of 26.8% (2012/13) Target: Deficit of 22% (2014/15)	Progress towards this target was supported through a series of three Poverty Reduction Support Credits (PRSCs) (Series ID: S122783) (IEG: MS) and the First Growth and Competitiveness DPG (P128573) (Management assessment: MU). The proposed indicator measures the fiscal stance. Throughout 2013/14, the indicator stood at 30.1% and 28.6% throughout 2014/15. The target was not achieved.	Source: CLR The indicator was revised at the CPSPR stage. The original one was: “Non-SACU revenues including grants, increased as share of GDP”.
	Public Sector Efficiency Indicator: (i) Wage bill reduced as share of GDP; Baseline: 18% (2009) Target: 16% (2014) Indicator: (ii) Percentage of new investment projects (in number) following the new Project Cycle Management Process Baseline: 0% (2009) Target: 10% (2014)	(i) Progress towards this target was supported through a series of three Poverty Reduction Support Credits (PRSCs) (Series ID: S122783) (IEG: MS) and the First Growth and Competitiveness DPG (P128573) (Management assessment: MU). The CLR reports that this indicator rose to 21% in 2013/14, and 21.6% in 2014/15. The target was not achieved. (ii) The CLR reports that, as of June 2015, all capital projects supported with Government funds and all projects supported by external financial resources submitted and approved by the Public Sector Investment Committee follow the new project cycle management process (PCMP). Beyond the Public Investment Management Efficiency (P124372) analytical and advisory service, it is not clear how the WBG contribute towards meeting this target.	Source: CLR (i) The target for this indicator was revised upwards at the CPSPR stage. (ii) The target for this indicator was revised downwards at the CPSPR stage.
	2. CPS Objective: Strengthen PFM, Statistics and Institutional Capacity to Deliver Better Services		
Public Financial Management Indicators (i) PI-12: Multi-year perspective in fiscal planning, expenditure policy and budgeting	The CLR notes that a PEFA assessment has been delayed to 2016, therefore no evidence is presented on the proposed indicators. However the CLR presents the following supplementary evidence to shed light on progress toward the first three PFM indicators.	Source: CPS, CPSPR, CLR (i) The target for this indicator was revised upwards at the CPSPR stage.	



	CPS FY10-FY15 – Focus Area 1: Fiscal Adjustment and Public Sector Efficiency	Actual Results (as of current month/year)	IEG Comments
	<p>(ii) PI-24: Quality and timeliness of in-year budget reports and PI-25: Quality and timeliness of annual financial statements</p> <p>(iii) PI-28: Legislative scrutiny of external audit reports</p> <p>Baselines (i) C+ (2009); (ii) D (2009) (iii) D+ (2009)</p> <p>Targets (i) B+ (2014) (ii) C (2014) (iii) C (2014)</p>	<p>(i) The CLR is not clear with respect to which interventions supported progress towards this target. This first PFM indicator focused on measuring on whether a medium term fiscal framework is prepared, debt sustainability analysis is done, and strategies for spending plans by ministries exist. A three-year Medium Term Fiscal Framework is prepared on an annual basis. Debt sustainability analysis is undertaken annually. Finally, strategies for ministries representing 87 per cent of primary expenditure exist with full costing of investment and recurrent expenditure.</p> <p>(ii) Progress towards these targets was supported through PFM Reform Support Project (P143197) (Management assessment: MU) The second PFM indicators relate to predictability and control over budgeting and also accounting, recording and reporting. The CLR reports that, through the Integrated Financial Management Information System (IFMIS), ministries have on-line access to their budget expenditure information, although concerns about accuracy of information persist. These are being addressed through an IFMIS upgrade that is being tested.</p> <p>(iii) Progress towards this target was supported through the First Growth and Competitiveness DPG (P128573) (Management assessment: MU). This third PFM indicator relates to legislative scrutiny of external audit reports. The CLR reports that the ability of the Parliament to scrutinize external audit reports have improved with the FY2013/14 audit report tabled in Parliament in November 2015 and the FY2014/5 one tabled in September 2015. However, examination of audit reports by the legislature usually takes more than 12 months to complete, which is below the target for the indicator set in the results framework.</p>	

	CPS FY10-FY15 – Focus Area 1: Fiscal Adjustment and Public Sector Efficiency	Actual Results (as of current month/year)	IEG Comments
	<p><u>Statistics</u> Indicator: The Bureau of Statistics (BoS) has prepared and disseminated a six month calendar for posting statistical products on the BoS website.</p> <p>Baseline: No (2012)</p> <p>Target: Yes (2014)</p>	<p>The CLR is not clear with respect to which interventions supported progress towards this target but reports that the Bureau of Statistics has prepared a six month calendar for posting statistical products on its website. However, only some of the reports placed in the calendar are actually published online.</p>	<p>Source: CLR</p> <p>The indicator was revised at the CPSPR stage. The original was: "Implementation of the National Strategy for the Development of Statistics (NSDS) Action Plan on track".</p>
	CPS FY10-FY15 – Focus Area 2: Human Development and Improved Service Delivery	Actual Results (as of current month/year)	IEG Comments
Major Outcome Measures	<p>3. CPS Objective: Reverse Negative Trends in Health and Improve Access to Services</p> <p>Indicators:</p> <p>(i) Average health facility quality of care score for target districts, Leribe and Quthing;</p> <p>(ii) Annual visits made to the new national referral hospital (including the filter clinics);</p> <p>(iii) Percent of pregnant women delivering in health facilities</p> <p>Baseline:</p> <p>(i) 43.8% (2013); (ii) 164,624 (2009); (iii) 53.2% (2009)</p> <p>Target:</p> <p>(i) 50%;</p>	<p>(i) The CLR reports the aggregate score is based on measures of staff attendance, reporting, adherence to protocols for child survival, environmental and reproductive health, maternal health, tuberculosis, essential drugs management and community-based services 70.7% in 2015. CLR reporting is not supported by latest management assessment.</p> <p>(ii) Progress towards this target was supported through Lesotho New Hospital PPP (IEG Assessment: MS). The CLR reports that number of visits were 300,000 in 2014 and 377,000 in 2015. This development was facilitated by the IFC-supported PPP arrangement for the hospital that led to a rise in quality of care and to efficiency of service. The ICRR P104403 reports that the number of annual visits to the hospital and filter clinics increased from 165,584 in 2007 to 374,669 in 2012.</p>	<p>Source: CPS, CPSPR, CLR, ISR P114859 and ICRR P104403</p> <p>The Indicator (i) was introduced at the CPSPR stage. It was reformulated at the CLR stage. The original target was: "Average health facility quality of care score". The target of Indicator 1 is lacking date.</p> <p>The Indicator (iii) was introduced at the CPSPR stage.</p> <p>The indicator "Ministry of Health (MoH) budget execution rate" was dropped at the CPSPR stage.</p> <p>The indicator "Piloting of performance-based contracts to non-governmental organizations" was dropped at the CPSPR stage.</p>



	CPS FY10-FY15 – Focus Area 2: Human Development and Improved Service Delivery	Actual Results (as of current month/year)	IEG Comments
	(ii) 285,000 visits (2014); (iii) 60% (2014)	(iii) Progress towards this target was supported through the Lesotho Maternal & Newborn Health PBF (Management Assessment: MU). The CLR reports 76.5% of pregnant women were delivering in health facilities in 2015. The ISR P114859 reports that: baseline for this indicator as of end of 2009 was 56.2 and actual percent of pregnant women delivering in health facilities as of November 2015 was 76.5.	The indicator “: The percentage of women using modern family planning methods” was dropped at the CPSPR stage.
	<p>Indicators: (i) Coverage of all HIV+ people eligible for Anti-Retroviral Treatment (ART);</p> <p>(ii) Percentage of population within program target areas with piped water supply</p> <p>Baseline: (i) 23% (2009); (ii) 50% (2009)</p> <p>Target: (i) 42% (2014); (ii) 85% (2014)</p>	<p>(i) The CLR reports 35% of coverage. However, the latest management assessment for HIV & AIDS TAL (P107375) ISR Sequence 13 and other related projects don’t report on this indicator.</p> <p>(ii) The CLR reports 60% of population in 2014. It mostly benefitted from the pipelines between the Metolong water treatment works and the Teyateyaneng financed through the Water Sector Improvement project The data is to be verified, final data awaited from MW. The ICRR P056418 reports that the number of people with access to clean water in their homes rose from 171,375 to 273,310 (IEG Assessment: MS). The ISR Sequence 12 P108143 does not report on this indicator.</p>	<p>Source: CPS, CPSPR, CLR, ICRR P056418, ISR P108143 and ISR P107375</p> <p>The Indicator (i) was revised at the CLR stage. Initial targets were set for individuals with a CD4 count of less than 350. The target has changed at the CPSPR stage from 60% to 65%.</p> <p>The revision of this indicator occurred at the CLR stage due to UN changed the eligibility definition to all individuals living with HIV. The original indicator was: “Coverage of people eligible for ART”. Original Baseline: 36% (2008) Original Target: 65% (2014)</p> <p>The indicator: “Percentage of women and men aged 15-49 who received HIV test in the last 12 months and know their result” was dropped at the CPSPR stage.</p>
4. CPS Objective: Build Skills for Enhanced Competitiveness and Improve Incentives			
	<p>Indicators: (i) Percentage of classrooms meeting national quality standards increased;</p> <p>(ii) Net Enrollment Rate (NER) in secondary schools increased</p>	<p>(i) The CLR reports that according to the EMIS survey, 82.6 percent of the existing classroom meet the construction standards. This information cannot be verified. The latest management assessment and completion report do not report on this indicator.</p> <p>(ii) The CLR reports NER at 37.7% in 2014. The ICRR P116426 reports on enrollment in primary education only.</p>	<p>Source: CPS, CPSPR, CLR, ICR P116426 and ICRR P116426 (Basic Education FTI Grant).</p> <p>The ICRR reported additional classrooms built</p>



	CPS FY10-FY15 – Focus Area 2: Human Development and Improved Service Delivery	Actual Results (as of current month/year)	IEG Comments
	<p>Baseline: (i) 48% (2008); (ii) 35.8 % (2011)</p> <p>Target: (i) 53% (2014); (ii) 38% (2014)</p>		<p>The Indicator (ii) was reformulated at the CPSPR stage. The baseline and target were changed from absolute numbers to percentages at the CPSPR stage. Original indicator was: “Secondary school enrollment increased”. Baseline was: 97,900 (2007) and Target: 130,000 (2014).</p> <p>The indicator: “Reform program in post-basic education prepared and new forms of funding post-basic education piloted” was dropped at the CPSPR stage</p>
	<p>Indicator: Decline in shortfall of qualified teachers at primary level.</p> <p>Baseline: tbd</p> <p>Target: 10% (2014)</p>	<p>The CLR reports that supplementary indicator was introduced to define to be the pupil-qualified teacher ratio. Baseline was 59 in 2009, target was set at 50 for 2014 and the result is 45.</p> <p>The ICRR P116426 reports that the pupil: qualified teacher ratio improved from 59:1 in 2010 to 45:1 in 2015. This achieved the target of 45:1.</p> <p>The ICR P116426 reports that the unqualified teachers were over-represented in the mountainous or difficult to access schools, many of which had no qualified teachers at all.</p>	<p>Source: CPS, CPSPR, CLR, ICR P116426 and ICRR P116426 (Basic Education FTI Grant)</p> <p>The indicator was introduced at CASPR but was dropped during the project restructuring of P116426.</p> <p>CLR lists new Indicator: “Increase in qualified teachers at primary level”, with Baseline: 0 Target: 600 (2014). It was reported as “Not Achieved”.</p> <p>The indicator:” Percentage of qualified primary teachers” was dropped at the CPSPR stage.</p> <p>The indicator:” Reform program in post-basic education prepared and new forms of funding post-basic education piloted” was dropped at the CPSPR stage.</p>

	CPS FY10-FY15 – Focus Area 3: Enhanced Competitiveness and Diversification	Actual Results (as of current month/year)	IEG Comments
	5. CPS Objective: Improve Business Environment, Trade Facilitation and Export Diversification		



	CPS FY10-FY15 – Focus Area 3: Enhanced Competitiveness and Diversification	Actual Results (as of current month/year)	IEG Comments
	<p>Indicators: (i) Time taken to register a business; (ii) Time taken to start a business; (ii) Time taken to get an industrial license at the One Stop Business Facilitation Centre; (iv) Number of rural population with access to all-season road (at project area: Senqu-Senqunyane area)</p> <p>Baseline: (i) 40 days (2009); (ii) 40 days (2012); (iii) 35 days (2009); (iv) 0 (2009)</p> <p>Target: (i) < 14 days (2014); (ii) < 25 days (2014); (iii) < 7 days (2014); (iv) 9370 (2014)</p>	<p>(i) Progress towards this target was supported through the Private Sector Competitiveness & Economic Diversification (P088544) (IEG: MS). The CLR reports that the time taken to register a business reduced from 40 days in 2009 to 7 in 2014. The ICRR P088544 reported that: “Days required to register a business reduced from 28 days to 7, compared to the target of 1 day”.</p> <p>(ii) Progress towards this target was supported through the Private Sector Competitiveness & Economic Diversification (P088544). The CLR reports that the time taken to start a business decreased from 40 days in 2012 to 29 in 2014. The ICRR P088544 reported that: “Days required to start up a business reduced from 73 days to 24 days, surpassing the original target of 34 days, but missing the revised target of less than 20 days. The ICR P088544 reports that according to the 2013 Doing Business report, the number of days required to start a business in Lesotho has been on consecutive declines from 93 days in 2006 to 40 days in 2010 and 29 days in 2013.</p> <p>(iii) Progress towards this target was supported through the Private Sector Competitiveness & Economic Diversification (P088544). The CLR reports that the time taken to obtain an industrial license at the one-stop shop reduced from 35 days in 2009 to 5 in 2014. The ICRR P088544 reports that days required to obtain an industrial license reduced from 35 days to 5 days, compared to the target of less than 7 days.</p> <p>(iv) Progress towards this target was supported through the Integrated Transport project (P119443) (Management Assessment: S). The CLR body reports that by mid-2015, the number had risen to 77,000 (p.12). The ICR P119443 reports that construction of three footbridges and IMT access tracks improved access of the population in the Senqu/Senqunyane</p>	<p>Source: CPS, CPSPR, CLR, ICR P088544, ICR P088544, ICRR P088544 and ISR P144933</p> <p>There is a discrepancy between baseline for Indicator 1 reported in the ICR P088544 (pp. iii, 18), ICRR (p.3) and the one reported in the CLR and CPSPR.</p> <p>There is a discrepancy between baseline and indicator for Indicator 2 reported in the ICR P088544 (pp. iii, 18), ICRR (p.3) and the one reported in the CLR and CPSPR.</p> <p>The target for Indicator (iii) was revised downwards at the CPSPR stage. The original target was less than 14 days.</p>



	CPS FY10-FY15 – Focus Area 3: Enhanced Competitiveness and Diversification	Actual Results (as of current month/year)	IEG Comments
	<p>Indicator: Customs clearance through implementation of computerized single window and single customs clearance system improved.</p> <p>Baseline: Two customs clearance processes at the border (2009)</p> <p>Target: Single customs clearance process (2014)</p>	<p>area, which was cut-off from the government services and job opportunities.</p> <p>The CLR reports that a computerized customs management system which covers most foreign trade procedures was implemented, but the plans to develop a single window are still ongoing. Bank support was provided through the Private Sector Development and Competitiveness Project (P144933) and the Integrated Transport project (P119443)</p>	<p>Source: CPS, CPSPR, CLR , ICR P088544,ISR P144933 and P128116</p>
	<p>Indicator: Number of targeted beneficiaries who have adopted improved production technologies and/or farming practices in target areas increased.</p> <p>Baseline: 234 (2011)</p> <p>Target: 1000 (2014)</p>	<p>Progress towards this target was supported through the Smallholder Agriculture Development Project (P119432). (Management Assessment: MS). The CLR result matrix table reported 201 targeted beneficiaries. The CLR reports that despite a slow start, the competitive grants program is showing progress and technology packages have been introduced. Developing marketing links and the formation of investment plans is proving difficult, but a number of contracts now exist between farmers and traders, and agricultural investment plans are proceeding. The ISR Sequence 9 P119432 reports that as of the end of February 2016, the number of targeted beneficiaries was 372.</p>	<p>Source: CPS, CPSPR, CLR and ISR P119432</p>
<p>6. CPS Objective: Reducing the Infrastructure Gap and Improving Capacity to Regulate Infrastructure Services</p>			
	<p>Indicator: Quality of national road network improved</p> <p>Baseline: 27% good and 38% fair (2009)</p> <p>Target: 39% good and 46% fair (2014)</p>	<p>Progress towards this target was supported through the Integrated Transport project (P075566) (Management Assessment: MS). The CLR result matrix table reports result as 38% of network of roads assesses as good and 40% as fair. The CLR body (p.14) reports that the indicators for improvements in the national road network with an envisaged rise between the base year of 2009 and the target year of 2014 in the percentage of roads classified as good from 27 to 39 and classified as fair from 38 to 46 have been met, with 38% classified as good and 50% as fair report that as of the end of</p>	<p>Source: CPS, CPSPR, CLR and ICR P075566</p> <p>The Indicator: “Quality of economic analysis underpinning regulatory decisions in the water and electricity sectors” was dropped at the CPSPR stage. Indicator dropped because it was not measurable.</p>



	CPS FY10-FY15 – Focus Area 3: Enhanced Competitiveness and Diversification	Actual Results (as of current month/year)	IEG Comments
	<p>Indicator: Mandate of Lesotho Electricity Authority (LEA) expanded to cover water regulation.</p> <p>Baseline: Divided regulatory function between electricity and water.</p> <p>Target: Regulation by contract in the water sector and regulatory agency for electricity sector.</p>	<p>June 2015, 38% of network of roads assessed as good and 50% as fair.</p> <p>Progress towards this target was supported through the Water Sector Improvement project APL (P056418) (Management Assessment: S). The CLR reports that the unification of water and electricity regulatory authorities has taken place and the target of regulation by contract in the water sector and regulatory agency for electricity has been met. The ICR P056418 reports the Amendment of Lesotho Electricity Authority Act to include water regulation was passed by Parliament in March 2011. The LEA – the regulator responsible for electricity services that gained responsibility to regulate water services in 2010 by becoming The Lesotho Electricity and Water Authority (LEWA).</p>	<p>Source: CPS, CPSPR, CLR and ICR P056418</p> <p>The Indicator: “Quantity of safe, bulk water supplied to Teyateyaneng increased” was dropped at the CLR stage.</p>

Source: DDP as of April 11, 2016

*International Monetary Fund, World Economic Outlook Database, April 2016



Annex Table 2: Planned and Actual Lending, FY10-15

Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed Amount	Approved Amount	Outcome Rating
Project Planned Under CPS / CPSPR 2010-15							
P107375	HIV/AIDS TAL	2010	2010	2016	5.0	5.0	LIR: MS
P112817	PRSC II	2010	2010	2011	15.0	25.0	LIR: MS
P119443	Integrated Transport (Additional Financing)	2010	2011		15.0	15.0	
P122783	PRSC III	2011	2011	2012	15.0	18.0	IEG: MS
P119432	Agriculture/Rural Development	2011	2012	2018	10.0	10.0	LIR: MS
P123199	Water Sector APL2 (Additional Financing)	2012	2012		10.0	13.0	
P128573	PRSC IV/DPG1 (Renamed LS-First Growth and Competitiveness DPG)	2012	2013	2014	20.0	20.0	LIR: MU
P114859	HD Project (LS-Maternal & Newborn Health PBF (FY13))	2012	2013	2017	5.0	12.0	LIR: MU
DROPPED	PRSC V/DPC2	2013			15.0		
DROPPED	Infrastructure Development	2013			10.0		
DROPPED	PRSC VI	2014			15.0		
DROPPED	Maseru Urban Development Project	2014			15.0		
P143197	Public Financial Management Reform TA Project	2014	2014	2018	5.0	5.5	LIR: MU
P144933	Private Sector Development and Competitiveness Project	2014	2014	2019	13.1	13.1	LIR: HS
Total Planned					168.1	136.6	
Unplanned Projects during the CPS and CPSPR Period							
P149467	Lesotho WSIP2 AF LHWP Ph2 Hydropower		2014			15.4	
Total Unplanned						15.4	
On-going Projects during the CPS and CPSPR Period			Approval FY	Closing FY		Approved Amount	
P108143	LS-Water Sector Imp. Proj (Second Phase)		2009	2016		25.0	LIR: S
P075566**	LS-Integr Transp SIL (FY07)		2007	2015		12.3	
P088544	Priv Sec Compet & Econ Diversification		2007	2013		11.2	LIR: S
P076658	LS-Health Sec Reform Phase 2 APL (FY06)		2006	2010		8.1	IEG: MS
P056418	LS-Water Sec Improvements APL (FY05)		2005	2011		6.5	IEG: MS
Total On-going						77.2	

Source: Lesotho CPS, CPSPR and WB Business Intelligence Table 2a.1, 2a.4 and 2a.7 as of 05/2/16

*LIR: Latest internal rating. MU: Moderately Unsatisfactory. MS: Moderately Satisfactory. S: Satisfactory. HS: Highly Satisfactory.

**P075566 Composed of 12.3M GRTD and 11.2M IDA financing.



Annex Table 3: Grants and Trust Funds Active in FY10-15 (in US\$ million)

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount	Outcome** Rating
P151673	Lesotho Continuous Survey Methodology	TF 17927	2015	2017	395,000	
P114859	Lesotho Maternal & Newborn Health PBF	TF 15305	2014	2015	450,000	
P114859	Lesotho Maternal & Newborn Health PBF	TF 14147	2013	2017	4,000,000	
P114859	Lesotho Maternal & Newborn Health PBF	TF 11924	2012	2014	400,000	
P125780	Lesotho - RSA Customs Collaboration	TF 99906	2012	2014	1,500,000	
P116426	EFA Fast Track Initiative Catalytic Fund Grant for Lesotho	TF 97043	2011	2015	20,000,000	LIR: MS
P104403	Lesotho New Hospital PPP	TF 91156	2009	2013	6,250,000	IEG: MS
P109882	Lesotho Institute of Accountants-Capacity Development	TF 94055	2009	2012	435,500	
P075566	Lesotho Integrated Transport Project	TF 90728	2008	2013	12,164,962	LIR: S
P108210	Solar-Thermal Power for Rural Villages in Lesotho	TF 57173	2007	2008	129,530	
P052367	Maloti-Drakensberg Transfrontier Conservation and Development Project	TF 23723	2003	2010	7,362,000	IEG: MU
Total					53,086,992	

Source: Client Connection as of 4/29/16

** IEG Validates RETF that are 5M and above



Annex Table 4: Analytical and Advisory Work for Lesotho, FY10 - FY15

Proj ID	Economic and Sector Work	Fiscal year	Output Type
P103627	LS-Health Sector Review & PER (FY10)	FY10	Public Expenditure Review (PER)
P112819	LS - Policy Notes	FY10	Not assigned
P113430	LS-ICA Policy Notes	FY10	Not assigned
P119801	LS-Accounting and Auditing ROSC	FY10	Accounting and Auditing Assessment (ROSC)
P124372	LS-Public Investment Mgmt Efficiency Rev	FY12	Not assigned
P118951	LS-Education and Economic Growth	FY13	Sector or Thematic Study/Note
P122942	LS-PER	FY13	Public Expenditure Review (PER)
P129491	LS-Social Safety Net Review	FY13	Sector or Thematic Study/Note
P131646	DeMPA LESOTHO	FY13	Debt management Performance Assessment(DeMPA)

Proj ID	Technical Assistance	Fiscal year	Output Type
P126117	LS-Post Flood Disaster Needs Assessment	FY11	Not assigned
P124474	Lesotho #10030 Pension Legal & Reg Frmwk	FY12	Not assigned
P126160	LS-PPIAF Regulatory Models for Electric	FY12	Not assigned
P114316	FIRST #8006: Developing NBFi Reg and Sup	FY13	Not assigned
P128116	LS-Economic Diversification	FY13	Not assigned
P144760	MTDS Lesotho	FY14	Not assigned
P144805	Lesotho #10272 Financial Sector Develop.	FY14	Not assigned
P132159	Lesotho - Review of NISSA	FY15	Not assigned

Source: WB Business Warehouse Table ESW/TA 8.1.4 as of 4/29/16

Annex Table 5: IEG Project Ratings for Lesotho, FY10-15

Exit FY	Proj ID	Project name	Total Evaluated (\$M)	IEG Outcome	IEG Risk to DO
2010	P052367	LS-GEF Maloti Drakens Cnsvr & Dev (FY02)	7.2	MODERATELY UNSATISFACTORY	SIGNIFICANT
2010	P076658	LS-Health Sec Reform Phase 2 APL (FY06)	6.4	MODERATELY SATISFACTORY	SIGNIFICANT
2011	P056418	LS-Water Sec Improvements APL (FY05)	14.7	MODERATELY SATISFACTORY	MODERATE
2011	P112817	LS - PRSC II	24.4	MODERATELY SATISFACTORY	MODERATE
2012	P122783	LS-PRSC III	17.8	MODERATELY SATISFACTORY	MODERATE
2013	P088544	Priv Sec Compet & Econ Diversification	8.1	MODERATELY SATISFACTORY	MODERATE
2013	P104403	LS-GPOBA W3: Lesotho Health (FY08)	6.3	MODERATELY SATISFACTORY	MODERATE
2015	P116426	EFA Fast Track Initiative Catalytic Fund Grant for Lesotho	20.0	MODERATELY SATISFACTORY	SUBSTANTIAL
		Total	104.8		

Source: BW Key IEG Ratings as of 04/29/16



Annex Table 6: IEG Project Ratings for Lesotho and Comparators, FY10-15

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Lesotho	104.8	8	93.1	87.5	91.0	62.5
AFR	23,031.9	471.0	70.6	66.4	38.5	36.3
World	138,801.7	1,572.0	83.2	71.5	61.7	49.7

Source: WB Business Warehouse as of 6/21/16

* With IEG new methodology for evaluating projects, institutional development impact and sustainability are no longer rated separately.

Annex Table 7: Portfolio Status for Lesotho and Comparators, FY10-15

Fiscal year	2010	2011	2012	2013	2014	2015	Total
Lesotho							
# Proj	8	7	6	7	8	7	7
# Proj At Risk	1	1	2	2	1	3	2
% Proj At Risk	12.5	14.3	33.3	28.6	12.5	42.9	24.0
Net Comm Amt	127.0	120.9	87.4	143.5	157.5	99.4	122.6
Comm At Risk	5.0	5.0	28.1	58.5	12.0	27.0	22.6
% Commit at Risk	3.9	4.1	32.2	40.8	7.6	27.2	19.3
AFR							
# Proj	597	644	627	566	620	643	616
# Proj At Risk	152	133	127	128	138	136	136
% Proj At Risk	25.5	20.7	20.3	22.6	22.3	21.2	22.1
Net Comm Amt	35,438.5	38,884.9	40,416.8	42,649.1	49,142.6	54,586.3	43,519.7
Comm At Risk	9,703.1	8,269.7	6,504.6	14,310.8	16,548.2	16,000.3	11,889.5
% Commit at Risk	27.4	21.3	16.1	33.6	33.7	29.3	26.9
World							
# Proj	1,990	2,059	2,029	1,964	2,048	2,022	2,019
# Proj At Risk	410	382	387	414	412	444	408
% Proj At Risk	20.6	18.6	19.1	21.1	20.1	22.0	20.2
Net Comm Amt	162,975.3	171,755.3	173,706.1	176,202.6	192,610.1	201,045.2	179,715.8
Comm At Risk	28,963.1	23,850.0	24,465.0	40,805.6	40,933.5	45,987.7	34,167.5
% Commit at Risk	17.8	13.9	14.1	23.2	21.3	22.9	18.8

Source: WB Business Warehouse as of 04/29/16



Annex Table 8: Disbursement Ratio for the Lesotho, FY10-15

Fiscal Year	2010	2011	2012	2013	2014	2015	Overall Result
Lesotho							
Disbursement Ratio (%)	23.30	22.65	10.28	18.94	39.32	22.77	23.17
Inv Disb in FY	13.52	15.79	7.06	15.79	31.56	17.35	101.07
Inv Tot Undisb Begin FY	58.02	69.69	68.75	83.40	80.26	76.19	436.30
AFR							
Disbursement Ratio (%)	24.01	19.36	21.39	22.45	23.15	24.46	22.44
Inv Disb in FY	4,250.96	4,703.06	5,260.34	5,652.13	6,143.93	6,473.17	32,483.58
Inv Tot Undisb Begin FY	17,704.08	24,298.45	24,594.97	25,175.93	26,540.38	26,463.64	144,777.45
World							
Disbursement Ratio (%)	26.91	22.38	20.79	20.60	20.79	21.78	22.02
Inv Disb in FY	20,928.83	20,933.36	21,048.24	20,510.39	20,756.98	21,852.73	126,030.53
Inv Tot Undisb Begin FY	77,760.85	93,516.54	101,234.29	99,588.04	99,852.72	100,343.74	572,296.18

* Calculated as IBRD/IDA Disbursements in FY / Opening Undisbursed Amount at FY. Restricted to Lending Instrument Type = Investment.
BW disbursement ratio table as of 5-2-16

Annex Table 9: Net Disbursement and Charges for Lesotho, FY10-15

Period	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
Jul 2009 - Jun 2010	13,487,978	7,752,811	5,735,166	30,284	2,408,828	3,296,054
Jul 2010 - Jun 2011	38,241,676	8,564,897	29,676,779	14,939	2,325,150	27,336,690
Jul 2011 - Jun 2012	25,520,379	9,625,004	15,895,375	9,642	2,507,825	13,377,907
Jul 2012 - Jun 2013	10,559,338	9,680,644	878,694	4,856	2,345,700	(1,471,862)
Jul 2013 - Jun 2014	39,153,183	9,482,530	29,670,654	-	2,325,229	27,345,425
Jul 2014 - Jun 2015	11,715,327	9,353,817	2,361,510	-	2,144,210	217,300
Report Total	138,677,880	54,459,702	84,218,178	59,721	14,056,943	70,101,514

World Bank Client Connection 5/2/16

**Annex Table 10: List of IFC Investments in Lesotho
Investments Committed in FY10-15 (US\$, 000)**

Project ID	Project Short Name	Institution Number	Cmt FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Net Loan	Net Equity	Net Comm
	None									
Sub-Total							-	-	-	-

Investments Committed pre-FY10 but active during FY10-15 (U\$, 000)

Project ID	Project Short Name	Institution Number	CMT FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Net Loan	Net Equity	Net Comm
	None									
Sub-Total							-	-	-	-
TOTAL							-	-	-	-

Source: IFC-MIS Extract as of end 12/31/15



**Annex Table 11: List of IFC Advisory Services for Lesotho
Advisory Services Approved in FY10-15**

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds, US\$
599220	South-South Health PPP Km	2013	-	TERMINATED	PPP	-
599457	Lesotho Contract Management PPP	2013	2016	HOLD	CAS	563,853
585328	Lesotho Wind Power PPP	2012	2016	ACTIVE	CAS	2,018,881
585527	Ls HealthCentres	2012	2015	CLOSED	CAS	1,001,841
590467	Lesotho Health Waste PPP	2012	2013	CLOSED	PPP	250,977
591907	Lesotho Tourism PPPs	2012	2015	CLOSED	PPP	1,084,726
581567	Lesotho PPP Policy	2011	2011	TERMINATED	PPP	94,900
Sub-Total						5,015,178

Source: IFC AS Data as of December 21, 2015

Annex Table 12: IFC Net Commitment Activity for Lesotho

	2010	2011	2012	2013	2014	2015	Total
None							
Total							

Source: IFC MIS as of 3/28/16

Advisory Services (US\$)	2010	2011	2012	2013	2014	2015	Total
IC							-
SBA							-
FIG/A2F							-
FAM							-
PPP		94,900	1,335,703	-			1,430,603
CAS			3,020,722	563,853			3,584,575
Total	-	94,900	4,356,425	563,853	-	-	5,015,178
		94,900	4,356,425	563,853			5,015,178



Annex Table 13: Total Net Disbursements of Official Development Assistance and Official Aid for Lesotho

Development Partners	2010	2011	2012	2013	2014
Australia	0.63	1.34	1.14	1.27	1.15
Austria	..	..	0.04	0.05	..
Belgium	..	0.01	..	..	..
Canada	0.41	1.39	0.21	0.27	0.14
Czech Republic	0.01	..	..	..	..
Denmark	0.32	0.12	..	..	..
Finland	0.08	0.06	..	0.13	0.12
France	-1.44	-1.52	-1.40	-1.55	-1.56
Germany	4.97	3.86	6.47	4.30	4.30
Ireland	15.71	15.85	11.23	2.64	1.75
Italy	..	..	..	..	..
Japan	8.84	20.23	3.23	2.57	2.29
Korea	0.14	0.18	0.25	0.08	0.23
Luxembourg	..	0.28	0.26	..	..
Norway	1.10	1.03	0.84	1.08	1.12
Poland	..	..	..	..	..
Slovak Republic	..	..	..	0.01	0.02
Sweden	0.36	0.07	0.32	0.16	0.12
Switzerland	0.63	0.52	0.88	0.62	0.79
United Kingdom	4.82	1.85	4.96	4.26	0.34
United States	57.23	98.04	123.55	169.83	38.25
DAC Countries, Total	93.81	143.31	151.98	185.72	49.06
African Development Bank [AfDB]	..	..	0.00	..	..
African Development Fund [AfDF]	10.36	6.75	2.88	-4.67	-4.99
Arab Bank for Economic Development in Africa [BADEA]	2.73	1.63	2.99	2.18	5.43
EU Institutions	74.29	53.43	46.46	47.88	9.01
Food and Agriculture Organisation [FAO]	..	..	..	0.15	..
Global Alliance for Vaccines and Immunization [GAVI]	0.85	-0.02	0.32	0.43	1.58
Global Environment Facility [GEF]	0.89	0.78	0.70	0.80	0.60
Global Fund	21.79	19.77	23.46	24.10	13.07
International Atomic Energy Agency [IAEA]	..	0.01	0.15	0.15	0.25
International Development Association [IDA]	34.13	16.63	-3.55	34.10	5.00
IFAD	1.76	1.67	0.96	0.05	1.20
IMF (Concessional Trust Funds)	4.42	1.78	34.64	14.61	-1.60
OPEC Fund for International Development [OFID]	0.50	0.10	2.62	2.31	6.45
UNAIDS	0.72	1.06	0.89	1.07	0.56
UNDP	2.19	0.91	0.80	0.87	1.52
UNFPA	1.69	1.61	1.79	1.53	0.96
UNICEF	1.34	1.17	0.96	0.90	1.47
WFP	1.48	2.09	1.00	-0.05	0.00
World Health Organisation [WHO]	..	1.00	0.95	1.23	0.56
Multilateral, Total	159.14	110.37	118.02	127.64	41.07
Cyprus	0.28	0.41	0.01	..	..
Israel	0.01	..	..	..	..
Kuwait [KFAED]	2.62	2.40	4.43	3.81	4.92
Russia	..	..	0.01	2.00	..
Thailand	0.05	0.08	0.02	0.03	..
Turkey	0.01	0.01	0.02	0.38	0.12
United Arab Emirates	..	..	..	..	8.43



Development Partners	2010	2011	2012	2013	2014
Non-DAC Countries, Total	2.97	2.90	4.49	6.22	13.47
Development Partners Total	255.92	256.58	274.49	319.58	103.60

Source: OECD Stat, [DAC2a] as of May 2, 2016

Annex Table 14: Economic and Social Indicators for Lesotho, 2010 – 2015

Series Name	2010	2011	2012	2013	2014	2015	LSO	AFR	World
							Average 2010-2015		
Growth and Inflation									
GDP growth (annual %)	7.9	4.0	5.0	4.5	3.6	..	5.0	4.4	2.8
GDP per capita growth (annual %)	6.8	2.9	3.7	3.2	2.4	..	3.8	1.6	1.6
GNI per capita, PPP (current international \$)	2,590.0	2,840.0	2,910.0	3,280.0	3,150.0	..	2,954.0	3,165.1	13,877.9
GNI per capita, Atlas method (current US\$) (Millions)	1,160.0	1,370.0	1,460.0	1,550.0	1,330.0	..	1,374.0	1,476.8	10,209.9
Inflation, consumer prices (annual %)	3.6	5.0	6.1	4.9	5.3	3.2	4.7	5.4	3.2
Compositon of GDP (%)									
Agriculture, value added (% of GDP)	8.5	8.5	7.5	8.0	8.0	..	8.1	15.0	3.1
Industry, value added (% of GDP)	31.8	33.1	31.6	31.8	31.9	..	32.1	27.7	26.8
Services, etc., value added (% of GDP)	59.7	58.4	60.8	60.2	60.1	..	59.8	57.3	70.2
Gross fixed capital formation (% of GDP)	27.6	25.3	30.3	35.2	..	..	29.6	20.9	21.8
Gross domestic savings (% of GDP)	-37.9	-32.7	-32.0	-27.7	..	..	-32.6	19.5	22.5
External Accounts									
Exports of goods and services (% of GDP)	44.4	48.4	43.9	40.4	..	..	44.3	30.4	29.4
Imports of goods and services (% of GDP)	111.4	103.5	103.2	101.2	..	..	104.8	32.7	29.3
Current account balance (% of GDP)	-7.2	-11.7	-16.0	-7.4	-10.5	..	-10.6		
External debt stocks (% of GNI)	30.0	25.5	30.1	30.9	33.6	..	30.0		
Total debt service (% of GNI)	1.3	1.3	1.3	1.4	1.6	..	1.4	1.5	
Total reserves in months of imports	5.1	3.9	4.3	5.2	5.5	..	4.8	4.9	13.4
Fiscal Accounts ¹									
General government revenue (% of GDP)	52.0	52.2	66.5	60.4	60.6	59.4	58.5		
General government total expenditure (% of GDP)	56.2	62.8	61.5	62.9	59.9	59.3	60.4		
General government net lending/borrowing (% of GDP)	-4.2	-10.6	5.0	-2.5	0.6	0.1	-1.9		
General government gross debt (% of GDP)	35.2	38.0	40.3	43.4	49.5	60.0	44.4		
Social Indicators									
Health									
Life expectancy at birth, total (years)	47.5	48.2	48.8	49.3	49.7	..	48.7	57.5	71.0
Immunization, DPT (% of children ages 12-23 months)	93.0	96.0	96.0	96.0	96.0	..	95.4	73.8	85.5
Improved sanitation facilities (% of population with access)	28.5	28.9	29.3	29.8	30.2	30.3	29.5	28.9	66.2
Improved water source (% of population with access)	76.5	76.6	76.7	76.8	76.9	77.0	76.8	53.4	82.5

Series Name	2010	2011	2012	2013	2014	2015	LSO	AFR	World
							Average 2010-2015		
Mortality rate, infant (per 1,000 live births)	75.2	71.9	72.3	71.9	70.5	69.2	71.8	60.9	34.4
Education									
School enrollment, preprimary (% gross)	35.6	40.4	40.5	36.5	31.2	..	36.8	18.6	51.9
School enrollment, primary (% gross)	110.5	111.0	111.0	108.0	107.1	..	109.5	99.1	108.2
School enrollment, secondary (% gross)	50.4	52.0	53.3	53.1	52.2	..	52.2	41.8	73.2
Population									
Population, total (Millions)	2,010,586	2,032,950	2,057,331	2,083,061	2,109,197	..	2,058,625	923,449,095	7,090,874,509
Population growth (annual %)	1.0	1.1	1.2	1.2	1.2	..	1.2	2.8	1.2
Urban population (% of total)	24.8	25.3	25.8	26.3	26.8	..	25.8	36.2	52.4

Source: DDP as of April 11, 2016

*International Monetary Fund, World Economic Outlook Database, April 2016