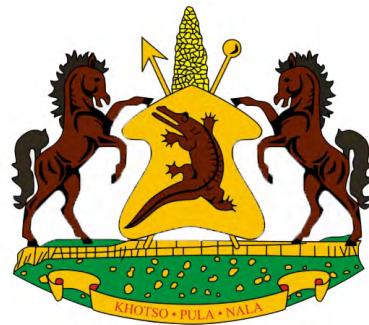


2021 CAADP
BIENNIAL REVIEW
BRIEF
LESOTHO



**Africa Agriculture
Transformation Scorecard:
Performance and Lessons**

Africa Agriculture Transformation Scorecard: Performance and Lessons

2021 CAADP Biennial Review Brief: Lesotho

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This policy brief was jointly developed by the Regional Strategic Analysis and Knowledge Support System for Eastern and Southern Africa (ReSAKSS-ESA), which is facilitated by AKADEMIYA2063 and the International Water Management Institute (IWMI), and the Ministry of Agriculture and Food Security, Lesotho.

Recommended Citation

Greffiths, J., et al. 2023. 2021 CAADP Third Biennial Review Brief: Lesotho. Africa Agriculture Transformation Scorecard Performance and Lessons. Kigali, Rwanda: Regional Strategic Analysis and Knowledge Support System (ReSAKSS), AKADEMIYA2063. <https://doi.org/10.54067/caadptbr/le>.

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AKADEMIYA2063 is supported financially by the United States Agency for International Development (USAID), the Bill and Melinda Gates Foundation (BMGF), the German Federal Ministry for Economic Cooperation and Development (BMZ), the African Development Bank (AfDB), the UK's Foreign, Commonwealth & Development Office (FCDO), the Global Center on Adaptation (GCA), and the Food and Agriculture Organization of the United Nations (FAO). The views expressed in this publication do not necessarily reflect those of the funders.

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1. Introduction

The Malabo Declaration outlines the vision of Africa's leaders for accelerating agricultural growth and transformation on the continent between 2015 and 2025 (AUC 2014). This transformation is to be achieved through the pursuit of seven broad commitments:

1. Upholding the principles and values of the Comprehensive Africa Agriculture Development Programme (CAADP),
2. Enhancing investment finance in agriculture,
3. Ending hunger in Africa by 2025,
4. Reducing poverty by half by 2025 through inclusive agricultural growth and transformation,
5. Boosting intra-African trade in agricultural commodities and services,
6. Enhancing resilience of livelihoods and production systems to climate variability and related risks, and
7. Ensuring mutual accountability for actions and results by conducting a Biennial Review (BR) continent-wide to monitor progress in achieving the seven Malabo Declaration commitments.

As part of fulfilling the seventh commitment on mutual accountability, the third CAADP BR report was endorsed by the assembly of African Heads of State and Government at the 35th African Union (AU) Summit in February 2022 (AUC 2021). This brief draws on that report to summarize the performance of the nation of Lesotho in pursuit of the seven Malabo Declaration commitments and assesses the challenges faced and the lessons learned by the country. The brief also reviews policy, programmatic, and investment changes in Lesotho induced by the inaugural BR of 2017 (AUC 2018), the second BR of 2019 (AUC 2020), and the most recent BR. The final section of the brief highlights policy actions and programmatic measures Lesotho must take for it to meet its Malabo Declaration commitments by 2025.

2. Progress by Lesotho in Achieving the Malabo Commitments

For the third BR, the benchmark score, the minimum score for a country to be considered on-track to achieve the Malabo Declaration commitments by 2025, was 7.28 (AUC 2021). Lesotho achieved an overall performance score of 3.98 in the third BR. As this score is far below the benchmark, this indicates that the country is not on-track to meet the Malabo commitments by 2025 (Table 1).

Lesotho's overall performance score for the third BR was slightly higher than its overall score for the first BR (3.75) and the second BR (3.26), which shows positive, if slow, progress. The overall score for the third BR shows an overall increase of 22 percent compared to the second BR. This represents something of a turnaround, as the overall score for the second BR decreased by 13 percent as compared to the first BR.

Lesotho posted an overall score far below the benchmark due to poor performance across all except one Malabo commitment. Declines in the scores for three commitments were seen between the second and third BRs—for the commitments on CAADP, enhancing agricultural finance, and mutual accountability. Improvements were seen for the commitments on ending hunger, halving poverty, and intra-Africa trade, but these are from very low scores for the second BR, so Lesotho



must strongly accelerate its performance on these commitments.

Table 1. Lesotho—summary of Biennial Review scores by Malabo commitment

Malabo commitment	First BR (2017)	Second BR (2019)	Third BR (2021)	% change, BR3 - BR2	Third BR Benchmark	Status
1. Recommitment to CAADP	4.44	6.57	5.63	-14	10.00	Not on track
2. Enhancing agriculture finance	3.30	3.57	2.36	-34	7.50	Not on track
3. Ending hunger by 2025	2.38	0.79	1.72	118	6.32	Not on track
4. Halving poverty through agriculture	0.05	0.54	1.38	156	5.81	Not on track
5. Intra-Africa trade in agriculture	5.19	0.70	2.14	206	5.00	Not on track
6. Enhancing resilience to climate change	3.33	4.31	9.62	123	8.00	On track
7. Mutual accountability	7.52	6.30	5.04	-20	8.33	Not on track
All commitments	3.75	3.26	3.98	22	7.28	Not on track

Source: Authors' calculations based on Lesotho Biennial Review scores.

The only commitment notable for enhanced performance in Lesotho is for that on enhancing resilience to climate change. Lesotho scored 9.62 for this commitment, which is higher than the third BR benchmark score for the commitment of 8.00. This score is significantly higher than those realized by Lesotho for the commitment in both the first BR (3.33) and the second BR (4.31).

Table 2. Lesotho—third Biennial Review scores relative to average for Southern Africa countries, by Malabo commitment

Malabo commitment	Lesotho Third BR	Lesotho status	Third BR Benchmark	Southern Africa avg.
1. Recommitment to CAADP	5.63	Not on track	10.00	6.55
2. Enhancing agriculture finance	2.36	Not on track	7.50	3.94
3. Ending hunger by 2025	1.72	Not on track	6.32	2.79
4. Halving poverty through agriculture	1.38	Not on track	5.81	1.43
5. Intra-Africa trade in agriculture	2.14	Not on track	5.00	2.35
6. Enhancing resilience to climate change	9.62	On track	8.00	5.58
7. Mutual accountability	5.04	Not on track	8.33	6.14
All commitments	3.98	Not on track	7.28	4.11

Note: The Southern Africa region is made up of Angola, Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, South Africa, Zambia, and Zimbabwe.

Comparing the performance of Lesotho to the average performance of all countries in Southern Africa (Table 2), Lesotho shows a relatively poor performance—Lesotho scored 3.98 in the third BR, which is below the average for the Southern African countries of 4.11 and far below the continental

average of 7.28.

For Lesotho to be on-track to achieve all seven Malabo commitments by 2025, the country needs to focus considerable attention on rectifying its areas of weakness. These include reducing the poverty headcount ratio based on the national poverty line, increasing agriculture expenditure as a share of total public expenditure; sharply increasing trade facilitation, increasing the access to financial services for farmers across Lesotho, and improving its capacity to generate and use agriculture data and information. In addition, implementing policies and programs aligned with CAADP principles has been shown elsewhere in Africa to contribute to better country performance. Lesotho should strive to do the same.

3. Challenges and Lessons Learned from the Third Biennial Review in Lesotho

Lesotho has experienced serious challenges in achieving the Malabo Declaration commitments. An important operational challenge for the country is the poor availability and quality of the data needed for each BR. Lesotho has missing information on several BR indicators. Gaps in the data have adverse implications on the performance scores for Lesotho on several commitments. Continent-wide, the third BR showed that member states with relatively good agricultural data management systems produced better reports for the BR process. To some degree, the erratic progress of many countries across the three BRs, including Lesotho, reflects problems with data availability and the quality of that data.

Some of the lessons learned from the third BR are that increased spending on key dimensions of the various Malabo commitments can lead to positive outcomes. This is most clearly seen for the commitment on building resilience to climate change—increased public spending on resilience-building initiatives has led to a significantly higher performance score for Lesotho for commitment 6. Parallel public investments in increasing the amount of land on which sustainable land management practices are used and in increasing the supply of high-quality agriculture inputs, for example, should result in enhanced performance by Lesotho on the commitment to end hunger by making more food available within the country's food systems.

4. Policy and Programmatic Changes in Lesotho following the First Three Biennial Reviews

Lesotho shows some programmatic change in the third BR as compared to both the first and the second BRs. Even though the country did not meet the third BR benchmark, Lesotho has made progress in terms of the country CAADP process in the following areas:

- Under Lesotho's CAADP process, analytical and value chain studies have been done to provide evidence to guide the design of the National Agriculture Investment Plan (NAIP).
- Government expenditure on agriculture as a percentage share of total government expenditure has increased in recent years due to the Ministry of Agriculture and Food Security implementing two new projects that started in 2019/2020, the Agricultural Productivity Program of Southern Africa (APPSA) and Smallholder Agriculture Development Project II (SADP II). In addition, the Ministry of Agriculture subsidized farmers' procurement of inputs under the Intensive Crop Production Programme.
- The government of Lesotho hosted forums to mobilize domestic and foreign investment in the agricultural sector.
- In enhancing resilience to climate change, the SADP II project has completed an Irrigation



Master Plan and a component of the project focuses on drought resilience.

- To enhance farmers' access to agriculture finance, the SADP II project has a grants program through which it provides credit to smallholder farmers all over the country. In addition, the Ministry of Agriculture signed a contract with the Lesotho Post Bank to be a credit guarantor for farmers.
- The Ministry of Agriculture has developed a Comprehensive National Agriculture Policy (CNAP), which is aligned with the NAIP. CNAP was inspired by the need to develop an overarching agricultural sector policy that will provide strategic direction to all agricultural sub-sectors and for the design of programs relevant to agriculture regardless of the implementing ministry. CNAP also provides a framework for coordinating efforts within the agricultural sector that are envisioned in Lesotho's National Strategic Development Plan II, 2018/19 – 2022/23. CNAP also incorporates many of the smart policy instruments for country CAADP implementation under the Malabo Declaration.

4. Lesotho—Priority Actions and Recommendations for Ensuring Achievement of Malabo Commitments by 2025

To improve the implementation of the Malabo Declaration commitments so that they are achieved in Lesotho by 2025, the country must consider how best to implement the following recommendations:

- **Recommitment to CAADP process:** Lesotho should improve its engagement in the overall CAADP process, putting in place CAADP-based policy and institutional support systems. Despite showing improvement in some dimensions of the CAADP process—particularly on cooperation, partnerships, and alliances and on CAADP-based policy and institutional review—the country scored 5.63 on this commitment against a benchmark of 10.00. Lesotho is not on-track to achieve this commitment.
- **Enhancing investment finance in agriculture:** Lesotho has struggled to improve access for its farmers to agriculture finance. Continued efforts are needed. Moreover, the country should increase the allocation to agriculture in its annual government budget at a level that is closer to the Malabo Declaration of a 10 percent allocation to the agricultural sector.
- **Ending hunger by 2025:** The country did not do well in the third BR on the different hunger-related sub-categories for this commitment—that on access to agriculture inputs and technologies scored 3.38 out of 10.00; that on social protection scored 3.80 out of 10.00; food security and nutrition scored 1.43 out of 10.00, and that on food safety scored 1.73 out of 10.00. Without improvements on these dimensions of hunger and malnutrition, Lesotho will not achieve a higher score on this commitment in future BRs.
- **Halving poverty through agriculture by 2025:** Increasing agricultural GDP is a robust approach to reducing poverty. Among the ways this can be done is by involving youth in agriculture-related jobs and increase in the number of women managing and participating in agri-businesses. Lesotho should also promote agriculture value-addition by adopting efficient commodity value chain approaches.
- **Boosting intra-African trade in agriculture commodities and services:** Lesotho has to improve its participation in intra-African trade in agriculture commodities and services. The country should strengthen its intra-African trade policies and put in place the institutions



needed to foster increased trade volumes.

- **Mutual accountability for actions and results:** Lesotho should improve on the Biennial Review Process by putting in place inclusive institutionalized mechanisms for mutual accountability and peer review in the agricultural sector. The country should also improve its capacity for evidence-based planning, implementation, and monitoring and evaluation. To do so, Lesotho must increase funding to support increased data generation, management, analysis, and utilization in the agriculture sector.

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