



Page 5: ABOUT YOU

Q1 Respondent

LESOTHO

Q2 About you

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Page 7: SECTION 1: AID-FOR-TRADE PRIORITIES (YOUR GOVERNMENT'S AID-FOR-TRADE PRIORITIES)

Q3 Does your national development strategy include trade priorities ? (i.e. Aid-for-Trade priorities)

Yes

Page 8: SECTION 1: AID-FOR-TRADE PRIORITIES

Q4 If yes, please indicate your Aid-for-Trade priorities:Below are listed the most common priority areas grouped according to broad Aid-for-Trade categories. Please rank the top 5 priority areas among the ones listed below.(1 being the most important)

E-commerce	1
Export diversification	3
Industrialization	4
Regional integration	2
Trade facilitation	5

Please specify further the priorities that you selected above as well as the main problems/obstacles encountered in furthering them and provide a weblink to the relevant strategy.

E-Commerce is a relatively new phenomenon in Lesotho. Currently studies are being carried out to find out the readiness of the country in adopting e-commerce. Funding will be needed to implement e-commerce systems and capacity building of staff. In terms of export diversification, there is limited capacity in terms of product development, standards and quality assurance infrastructure. Funding to provide necessary industrialization infrastructure is inadequate. Technical assistance in establishing special economic zones is needed. Lesotho being a small country needs to integrate into the regional economic settings in order to find market access for its goods and services. Financial assistance is required to augment limited budgetary allocations to participate in trade negotiations. Trade facilitation to improve cross border trading with our only neighbour the Republic of South Africa is being pursued. Funding is needed to expedite the process.

Page 9: SECTION 1: AID-FOR-TRADE PRIORITIES

Q5 Have your Aid-for-Trade priorities changed since 2016? **No**

Page 10: SECTION 1 : AID-FOR-TRADE PRIORITIES

Q6 If yes, please rank the top 3 drivers of these changes :(Please choose no more than 3 options) **Respondent skipped this question**

Q7 Have these changes been reflected in your dialogue with development partners? **Respondent skipped this question**

Page 11: SECTION 1: AID-FOR-TRADE PRIORITIES

Q8 Please provide names, titles, references or weblinks to policy documents relevant to Aid for Trade in your country.

Diagnostic Trade Integration Study Update 2013
 AGOA Implementation Strategy for Lesotho
 National Trade Policy

Page 13: SECTION 2: AID FOR TRADE IN SUPPORT OF ECONOMIC DIVERSIFICATION

Q9 Is economic diversification a priority in your national or regional development strategy?

Yes,

If yes, please provide additional information (including as to how economic diversification is defined and measured).: The current National Strategic Development Plan II has prioritized economic diversification as one of key national development strategies. NSDP II framework emphasizes the need for Lesotho to tap onto its existing comparative advantage to broaden sources of growth by supporting economic diversification and export competitiveness through developing industrial clusters under Productive Sectors. The country further needs to establish Special Economic Zones and draw synergies across sectors through clustering of Government Ministries which serve as strategic support sectors for the current strategic framework.

Q10 What are the main constraints to economic diversification identified in your national or regional development strategy?(You may tick more than 1 box)

Inadequate network infrastructure (power, water, telecommunications)

,

Limited agricultural production capacity

,

Limited industrial or manufacturing capacity

Q11 Please indicate in which of category(ies) of aid-for-trade financing you receive aid-for-trade support for economic diversification.(You may tick more than 1 box and/or leave boxes unticked if you do not receive support)

Trade facilitation,

Multilateral trade negotiations

,

Building productive capacity

,

Additional information on which category(ies) of aid-for-trade financing you receive aid-for-trade support for economic diversification.:

Lesotho being a Least Developed Country receives aid-for-trade support for economic diversification under the Enhanced Integrated Framework (EIF) and other multi-lateral financial assistance from African Development Bank, World Bank, FAO, EU and other development partners. Through initiatives such as Smallholder Agricultural Development Project, smallholders farmers are support to improve agricultural productivity through use of modern technology such as use of greenhouses to produce vegetables and improvement of livestock production and rearing.

Q12 Does the aid-for-trade support you receive for economic diversification align with the priorities established in your national or regional trade and development strategy(ies)?

Yes,

Additional information on how the aid-for-trade support you receive for economic diversification aligns with the priorities established in your national or regional trade and development strategy(ies):

As mentioned in above, economic diversification is one of the priorities in the NSDP II for which aid-for-trade support assists to accomplish its objectives.

Q13 Has your government recorded progress in economic diversification since the launch of the Aid-for-Trade initiative in 2006?

Yes,

Additional information on whether your government has recorded progress in economic diversification since the launch of the Aid-for-Trade initiative in 2006?:

Improved agricultural productivity particularly in vegetable and fruits production through assistance of the EIF, World Bank and FAO.

Page 14: SECTION 2: AID FOR TRADE IN SUPPORT OF ECONOMIC DIVERSIFICATION

Q14 If yes, please specify in which area(s):(You may tick more than 1 box)

Other, (please specify) ,

Additional information on the progress that your government has recorded in economic diversification since the launch of the Aid-for-Trade initiative in 2006.:

Improving productive capacity of smallholder agricultural farmers.

Q15 If yes, please also indicate in which sector(s): (You may tick more than 1 box)

Agriculture,

Additional information on the sector(s) where progress in economic diversification has been made.:

As mentioned earlier, diversification of agricultural production away from traditional crops into cash crops.

Page 15: SECTION 2: AID FOR TRADE IN SUPPORT OF ECONOMIC DIVERSIFICATION

Q16 In which category(ies) of Aid for Trade is the support you receive impactful for economic diversification?(You may tick more than 1 box and/or leave boxes unticked if you do not receive support)

Building productive capacity ,

Agriculture

Page 16: SECTION 2: AID FOR TRADE IN SUPPORT OF ECONOMIC DIVERSIFICATION

Q17 What factors contribute to the success of the aid-for-trade support you receive for economic diversification?(You may tick more than 1 box. Please limit your answer to the top five factors)

Alignment of aid-for-trade support with national/regional priorities

Donor interest in specific projects/programmes

Q18 What factors may limit the success of the aid-for-trade support you receive for economic diversification?(You may tick more than 1 box. Please limit your answer to the top five factors.)

Diverging priorities between partner and donor

Failure to mobilize domestic private investment

Lack of country ownership

Weak institutional capacity,

Additional information on the factors that may limit the success of the aid- for-trade support you receive for economic diversification.:

Country ownership and strong institutional capacity are key in sustaining support provided by donors for economic diversification.

Page 17: SECTION 2: AID FOR TRADE IN SUPPORT OF ECONOMIC DIVERSIFICATION

Q19 Does the Aid for Trade you receive help mobilize other forms of development finance for economic diversification (i.e. non-concessional financing, foreign direct investment, remittances, trade finance, etc.).

Unsure

Q20 Which development partner(s) are the most important source of aid-for-trade financing for economic diversification?(You may tick more than 1 box)

African Development Bank (AfDB)

Enhanced Integrated Framework (EIF),

Food and Agricultural Organization of the UN (FAO)

International Fund for Agricultural Development (IFAD)

World Bank

Q21 Which South-South partner(s) are the most important source of financing for your economic diversification?(You may tick more than 1 box)

**China,
India**

Page 18: SECTION 2: AID FOR TRADE IN SUPPORT OF ECONOMIC DIVERSIFICATION

Q22 Looking ahead, in which sector(s) will future support for economic diversification be most required? (You may tick more than 1 box)

**Industry,
Services**

Q23 Looking ahead, in which category of aid-for-trade financing do you think that your government will require aid-for-trade support for economic diversification.(You may tick more than 1 box and/or leave boxes unticked if you do not receive support)

**Building productive capacity
Industry**

Page 19: SECTION 2: AID FOR TRADE IN SUPPORT OF ECONOMIC DIVERSIFICATION

Q24 Is there any Aid-for-Trade project or programme for economic diversification that you would like to showcase as an example of best practice?(Please provide additional information and include weblinks as relevant)

The Private Sector Competitiveness and Economic Diversification Project (PSCEDP) funded by the World Bank is an example of best practice example of Aid-for-Trade project for economic diversification. Commercial deciduous tree production has been introduced to farmers who used mainly grow maize and sorghum in their field for subsistence. Through PSCEDP fruit production has been commercialised and value addition to fruits introduced to farmers. Tourism establishments have been star graded to attract tourists and business registration has been automated to improve ease of doing business.

Page 21: SECTION 3 : AID FOR TRADE IN SUPPORT OF ECONOMIC EMPOWERMENT

Q25 Is economic empowerment a priority in your national or regional development strategy?

Yes,
If yes, please provide additional information on how economic empowerment is prioritized in your national or regional strategy.:
Economic empowerment is one of the priority areas in the current National Strategic Development Plan document.

Page 22: SECTION 3 : AID FOR TRADE IN SUPPORT OF ECONOMIC EMPOWERMENT

Q26 For which groups does your national or regional development strategy seek to promote economic empowerment?(You may tick more than 1 box)

Micro, Small and Medium Sized Enterprises

Q27 Does the national or regional development strategy propose any indicators to track economic empowerment or include any targets to achieve?

Unsure

Q28 Does the national or regional development strategy link economic empowerment to participation in international trade?

Yes

Page 23: SECTION 3: AID FOR TRADE IN SUPPORT OF ECONOMIC EMPOWERMENT

Q29 Please indicate in which category(ies) of aid-for-trade financing you receive aid-for-trade support for economic empowerment.(You may tick more than 1 box and/or leave all boxes unticked if you do not receive support)

Trade policy and regulations (Including training of trade officials, analysis of proposals and positions and their impact, support for national stakeholders to articulate commercial interest and identify trade-offs, dispute issues, institutional and technical support to facilitate implementation of trade agreements and to adapt to and comply with rules and standards)

Q30 Does the aid-for-trade support you receive for economic empowerment align with the empowerment priorities established in your national or regional trade and development strategy(ies)?

Yes

Page 24: SECTION 3: AID FOR TRADE IN SUPPORT OF ECONOMIC EMPOWERMENT

Q31 How best can Aid for Trade make a contribution to women's economic empowerment?(You may tick more than 1 box. Please limit your answer to the top five factors)

- Improving access to information** ,
- Improving access to foreign markets** ,
- Improving access to global value chains** ,
- Providing access to finance** ,
- Supporting rural trade** ,
- Supporting the elaboration of gender-sensitive policies**

Q32 What forms of aid-for-trade financing, in your view, best support women's economic empowerment?(You may tick more than 1 box and/or leave all boxes unticked if you do not receive support)

Building productive capacity

Q33 What factors contribute to the success of Aid for Trade in promoting women's economic empowerment? (You may tick more than 1 box. Please limit your answer to the top five factors)

- Alignment of aid-for-trade support with national/regional priorities** ,
- National/regional coordination**

Page 25: SECTION 3: AID FOR TRADE IN SUPPORT OF ECONOMIC EMPOWERMENT

Q34 How best can Aid for Trade make a contribution to the economic empowerment of MSMEs?(You may tick more than 1 box. Please limit your answer to the top five factors)

- Providing access to finance** ,
- Improving access to information** ,
- Improving access to foreign markets** ,
- Improving access to global value chains** ,
- Improving digital connectivity**

Q35 What forms of aid-for-trade financing, in your view, best support the economic empowerment of MSMEs? (You may tick more than 1 box and/or leave all boxes unticked if you do not receive support)

- Building productive capacity** ,
- Trade policy and administrative management** ,
- Trade facilitation,**
- Trade education/training,**
- Trade-related infrastructure (Including physical infrastructure)**

Q36 What factors contribute to the success of Aid for Trade in promoting the economic empowerment of MSMEs? (You may tick more than 1 box. Please limit your answer to the top five factors)

- Alignment of aid-for-trade support with national/regional priorities** ,
- Good digital and ICT connectivity** ,
- Good trade-related infrastructure** ,
- Sufficient funding and appropriate implementation timelines**

Q37 How best can Aid for Trade make a contribution to Youth economic empowerment?(You may tick more than 1 box. Please limit your answer to the top five factors)

- Providing access to finance
- Supporting the growth and economic development of Youth
- Upgrading business skills,
- Upgrading ICT skills
- Improving access to information
- Improving access to foreign markets
- Improving access to global value chains
- Improving digital connectivity

Q38 What forms of aid-for-trade financing, in your view, best support to Youth economic empowerment?(You may tick more than 1 box and/or leave all boxes unticked if you do not receive support)

- Business support services,
- Banking and financial services
- Building productive capacity
- Trade policy and administrative management
- Trade facilitation,
- Trade education/training,
- Trade-related infrastructure (Including physical infrastructure)
- Transport and storage infrastructure
- Communications infrastructure

Q39 What factors contribute to the success of Aid for Trade in promoting to Youth economic empowerment? (You may tick more than 1 box. Please limit your answer to the top five factors)

Alignment of aid-for-trade support with national/regional priorities ,

Coordination among donors ,

Country ownership,

Good digital and ICT connectivity ,

Good trade-related infrastructure ,

Leveraging of foreign direct investment ,

Mobilization of domestic private investment ,

Institutional capacity to implement projects

Page 27: SECTION 3: AID FOR TRADE IN SUPPORT OF ECONOMIC EMPOWERMENT

Q40 In your view, can Aid for Trade make a contribution to the achievement of the 2030 Sustainable Development Agenda ?

Yes

Q41 If yes, please specify which Sustainable Development Goal or Goals (SDGs) Aid for Trade can help to achieve.(You may tick more than 1 box)Sustainable Development Goals:

1. No poverty ,

2. Zero hunger,

3. Good health and well-being ,

9. Industry, innovation and infrastructure

Page 28: SECTION 3: AID FOR TRADE IN SUPPORT OF ECONOMIC EMPOWERMENT

Q42 Which donor(s) are now the most important source aid-for-trade financing for your economic empowerment.(You may tick more than 1 box)

African Development Bank (AfDB) ,

Enhanced Integrated Framework (EIF),

International Fund for Agricultural Development (IFAD) ,

World Bank ,

World Trade Organization (WTO)

Q43 Which South-South partner(s) are the most important source of financing for your economic empowerment?(You may tick more than 1 box)

China,
Turkey,
India

Q44 Looking ahead, in which category(ies) of aid-for-trade financing do you think that further support for economic empowerment will be required.(You may tick more than 1 box and/or leave boxes unticked if you do not receive support)

Business support services,
Building productive capacity ,
Trade policy and administrative management ,
Trade facilitation,
Regional trade agreements (RTAs) ,
Multilateral trade negotiations ,
Trade education/training,
Trade-related infrastructure (Including physical infrastructure) ,
Transport and storage infrastructure ,
Communications infrastructure,
Energy supply and generation infrastructure

Page 29: SECTION 3: AID FOR TRADE IN SUPPORT OF ECONOMIC EMPOWERMENT

Q45 Please provide any additional information that you think may be relevant.(Please references in the form or weblinks, document symbols etc.)

Financial and technical support provided through EIF and ITC to small scale farmers to adopt greenhouse technology to produce vegetables for commercial purposes has been a huge success in support of economic empowerment particularly for women. In addition training in financial management and marketing skills were helpful.

Q46 Is there any Aid for Trade project or programme for economic empowerment you would like to showcase as particularly important for your country or as an example of best practice?(Please provide any relevant additional information and include weblinks as relevant)

The Horticultural Productivity and Trade Development (HPTD) project through which greenhouses were given to smallholder agricultural farmers to improve productivity of vegetables is a case in point. Increased productivity helped them to supply the local supermarkets and hotels with fresh produce.

Page 30: END OF SURVEY

Q47 CONSULTATION (Other ministries/agencies consulted in preparing this questionnaire reply):

The questionnaire has been shared with other ministries/agencies who will probably send in their own answers and contributions.
