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REDUCING POVERTY THROUGH GROWTH

Transcript

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Remarks

Millennium Challenge Corporation hosts a public outreach meeting on the MCC and Lesotho

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MCNAUGHT: Good morning. I see by the old clock on the wall that it's 9:30, so we will get under way.

Prime Minister Mosisili, Minister Tsekoa, Minister Thahane, distinguished members of the Lesotho delegation, Congresswoman Watson, friends of Lesotho, a very warm welcome to all of you today, and thank you for joining us for today's presentation on the MCC compact with the Kingdom of Lesotho, which we signed just yesterday at the State Department.

I'm Fran McNaught, vice president for congressional and public affairs, and we appreciate your ongoing interest in our work to fulfill our mission to reduce poverty through economic growth.

Today you will learn more about how we are fulfilling this mission in Lesotho. Let me tell you a bit how we're going to proceed this morning.

We are incredibly fortunate to be joined by Congresswoman Diane Watson. She has been instrumental in recognizing and acknowledging MCC's role in supporting the agenda of reform and transformation already undertaken by the government of Lesotho, on their own, for themselves.

And we thank you for your ongoing interest in and support of the MCC.

After the congresswoman speaks, we'll be joined by Ambassador John Danilovich, CEO of the Millennium Challenge Corporation, and Lesotho's minister of finance, Timothy Thahane, will introduce the right honorable, the prime minister, Mr. Pakalitha Mosisili.

Having both Ambassador Danilovich and, of course, the prime minister here demonstrates firm commitment at the very highest levels to the success of this compact. Then we will convene a panel to discuss the specifics of the compact.

With that overview, I'd like to begin now by introducing our first speaker Congresswoman Watson. She has represented California's 33rd district since 2001.

Her passion for education is evident from her work as an elementary school teacher and school psychologist in the Los Angeles public school system. She served on the school board in Los Angeles, the first African-American woman to do so. And she was elected to the California state senate in 1978.

Congresswoman Watson also served as the United States ambassador to the Federated States of Micronesia. It is my pleasure to introduce -- ask to the podium -- Congresswoman Watson.

(APPLAUSE)

WATSON: I would like to thank Fran for that introduction, and I want to say to our honorable guests from the Lesotho that I made a mistake by not coming to Lesotho when it was offered to me. The timing was not right. But I promise to return, or to go for the first time.

And I would like to thank Ambassador Danilovich for having me here today and thank the prime minister for joining us on Capitol Hill. It's a real pleasure and an honor.

And I would like to thank all of you for coming to here and the State Department in particular for signing of the Lesotho MCC compact.

And so it gives me really a great amount of excitement to talk about Lesotho -- I've not been there, but knowing much about it -- and also to acknowledge the exciting changes that are going on there.

Until recently in Lesotho, the customary legal system treated women as second-class citizens. And according to the State Department's 2006 human rights report on Lesotho, under customary or traditional law, a married woman was considered a minor during the lifetime of her husband.

And she could not enter into legally binding contracts without her husband's consent. I knew I should have gone there to change things.

(LAUGHTER)

But that changed in October of last year when the Lesotho parliament changed its laws to give married women full rights under customary law.

There is still progress that needs to be made on this point, but it's a beginning. According to the State Department, a woman married under customary law has no standing in civil court.

Under the country's dual legal system, marriages which occur under customary law must be legalized in the civil system to have legal standing.

But I believe the efforts of the government of Lesotho are showing real progress in the area of promoting equal rights for women. And I believe it's our responsibility to acknowledge the efforts of those people seeking to empower individuals from all walks of society.

As right and as overdue as it might be to make these changes, that does not make them easy changes in a society that has done things a certain way for so many decades.

So I think that the government of Lesotho and the prime minister in particular deserve our praise for having the courage and the vision to lead change in their society. Let's give them a hand.

(APPLAUSE)

But we're here today to acknowledge another factor in making the change to empower the women of Lesotho. It was through the work of the Millennium Challenge Corporation that we're able to encourage the best instincts of Lesotho's political leadership to make these changes in the law.

And it is instructive to pay attention to how the MCC's leadership convinced Lesotho to make the changes. They did not demand that they change as a quid pro quo for MCC assistance.

Instead, they appealed to Prime Minister Mosisili and his government's sense of reason by convincing them that any assistance provided by the United States for economic development would be only half as effective if half of Lesotho's population was excluded from the formal economy.

And to me, this is why we give foreign assistance. It is not because we're so generous or idealistic, but we provide foreign assistance because it is America's tool for reducing poverty and giving people around the world the tools for improving themselves, their communities and their country.

In this way, foreign aid is a key component of a comprehensive U.S. national security strategy every bit as important as our investment in military power.

And I think we need to rethink and rebuild our entire U.S. foreign assistance delivery system because I fear we have failed to invest in this avowed pillar of U.S. foreign policy.

But I think there are a great deal of positive lessons to be drawn from the successes of the MCC. And I hope that we can continue to support MCC as it works to strengthen and expand its efforts.

And when we come in to provide assistance and we show a model that means you, too, can have a healthy society by including all of your citizens in the benefits from this aid that we give you, then we're making a difference throughout the world.

We're not trying to impose on other countries our ways of doing things. We've try to act as a model, and we try to get those to join in partnership so that all citizens of their countries and all people within their culture can benefit from our aid.

So the MCC is helping to support and inspire positive changes around the world. And I know that the Millennium Challenge Corporation's future and its efforts will bring more opportunities for celebrations such as this one today.

And we are a model that continues to evolve in our country. And we hope that you can benefit from our model as we extend a hand of partnership.

So I am very, very pleased to be part of today's celebration, and I want to thank our State Department for the signing ceremony and our State Department's efforts to bring goodwill to as many people around the globe as we can.

Thank you so much for being here.

(APPLAUSE)

MCNAUGHT: Thank you, Congresswoman, for those kind words. We're very grateful that this morning you could share some of your thoughts with us. Thank you.

I now would like to introduce MCC's CEO, John Danilovich. Ambassador Danilovich served as U.S. ambassador to Costa Rica from 2001 to 2004 and ambassador to Brazil from June 2004 to November 2005.

Prior to these appointments, he was active in the international shipping business and served as director of companies in the shipping, property, publishing and investment fields.

He began his duties as CEO of the MCC on November 7th, 2005, and under his leadership MCC now has 13 signed compacts with countries in Africa, Central America, Eurasia and the Pacific, totaling nearly \$3.9 billion.

Ambassador?

(APPLAUSE)

DANILOVICH: Thank you very much, Fran.

The right honorable, the prime minister, Mr. Pakalitha Mosisili, distinguished ministers and members of the delegation from Lesotho, Congresswoman Watson, distinguished members of Congress, friends of Lesotho, I'm delighted to join you here this morning, and I want to thank our friends in Congress for making this venue possible for this meeting.

Yesterday the people and the government of Lesotho took a tremendous step forward in their development with signing of a nearly \$363 million compact with the Millennium Challenge Corporation that will improve the water supply for industrial and domestic uses, strengthen the health care sector, and bolster private sector activity.

It's a momentous milestone, marking Lesotho's resolve to tap into the potential of its two greatest resources, its water and its people, in order to reduce poverty through sustained economic growth.

Today's panel will go into greater detail about the compact's specific components and expected results. What I would like to do is to share with you a few thoughts on the significance of the MCC-Lesotho compact.

Reflecting input from the private sector, the NGO community and civil society organizations, at the national, district and sector levels, the MCC-Lesotho compact captures the top development priorities identified by the Lesotho themselves.

These priorities build on the outcomes of an extensive consultative process involving over 20,000 people in 200 villages that led to the Lesotho Poverty Reduction and Strategy Papers and Lesotho Vision 2020.

In a country where the vast majority of people are poor and where the number of HIV/AIDS cases is the third largest in the world, such participative consultations that capture the will of the people are remarkable.

Equally commendable is Lesotho's commitment to good governance, to investments in the health and education of those citizens and to promoting economic freedom.

On the political, economic and social criteria we use at the MCC to select which countries would make our best partners based on how they do in these three areas, Lesotho's performance is excellent, passing all but one of our 16 indicators.

MCC's model helps countries help themselves. We're fulfilling the mandate given to us by the U.S. Congress when they created the MCC in 2004. And only with Congress's support of sufficient funding will MCC be able to continue to fulfill our mission throughout the world.

MCC is a bilateral American program. Our grants are rewards for countries that are doing the right things for the right reasons.

MCC rewards good government, good governance, countries that invest in their people and provide economic freedom, all of this being the foundation upon which we can build programs for the reduction in poverty and sustained economic growth and the creation of stability and security.

Lesotho is an outstanding example of our MCC model and how our incentive effect are working, working in Lesotho, working Africa and working throughout the world.

The success that MCC has invested in Lesotho is tied to the fact that Lesotho is taking the difficult steps, enacting tough reforms and building the necessary capacity to invest in itself.

MCC is furthering what Lesotho has already started. MCC-Lesotho compact will be successful. Let me highlight four areas where the compact will have a transformative impact on reducing poverty through stimulating growth.

First, water. The MCC-Lesotho compact improves the delivery and supply of this critical resource to meet industrial and domestic needs. Textile and garment operators with employees and urban and rural homes will benefit from this.

Second, health. The MCC-Lesotho compact will help mitigate the alarming economic fallout from the HIV/AIDS pandemic. Nearly one-quarter of the population between the ages of 15 and 50 in Lesotho is HIV/AIDS positive.

Leveraging and building upon the work under way by other donors in the country, including the president's emergency plan for AIDS relief, or PEPFAR, the compact will extend the productive life years of those living not only with HIV/AIDS but also with tuberculosis and other debilitating diseases that take a toll on the country's economy.

Third, women. The MCC-Lesotho compact includes training and a public awareness campaign to further gender equality in economic rights and practices. For instance, banks will be trained to improve women's access to credit.

During the compact development and after nearly six years of debate, Lesotho's parliament enacted a law at the end of last year to confer equal legal status on married women, what Congresswoman Watson referred to, so as to engage them fully in the country's economic life.

In keeping with our MCC gender policy, we welcome this groundbreaking policy reform as critical to the success of the compact.

A bipartisan resolution in the U.S. Senate sponsored by Senator Lugar along with 15 other senators, and a similar measure in the House of Representatives sponsored by Congresswoman Watson with 47 other representatives, recognizes this achievement and commends Lesotho and MCC's role in (inaudible) policy change for women's equality.

Congresswoman Watson, we can't thank you enough for the efforts you've made in spearheading this effort. We really greatly appreciate it.

And fourth, the private sector. The MCC-Lesotho compact will energize this engine of sustainable growth.

MCC's investment in the private sector development contributes to Lesotho's existing reform program not only by stimulating the growth of Lesotho-owned companies but also by attracting foreign direct investment. It will also allow Lesotho to more actively participate in the regional economy.

Much is expected of the MCC-Lesotho compact: Poverty reduction and growth through investments in water, in health and in private enterprise development, including expanding the role of women in the country's economy.

It is through the determination and diligence of the Besotho, guided by your visionary leadership, Mr. Prime Minister, that the compact will deliver tangible, meaningful results in the lives of the poor.

We are honored to partner with you and your country and to move forward now with the implementation of the compact between Lesotho and the Millennium Challenge Corporation.

Looking ahead, the leadership of the minister of finance and of development and planning, Minister Thahane, is instrumental for implementation. Prior to his appointment in 2002, Minister Thahane served deputy governor of Lesotho's reserve bank.

He also served as his country's ambassador to the United States and as vice president and secretary for Lesotho to the World Bank.

It's now my great privilege to yield the podium to Lesotho's minister of finance, Timothy Thahane.

Mr. Minister?

(APPLAUSE)

THAHANE: Congresswoman Watson, the right honorable prime minister, distinguished guests, ladies and gentlemen, today we are delighted to be on the floor to celebrate the compact with the Kingdom of Lesotho.

I will not say much, except to underscore what the congresswoman has said. The fundamental change that has come about in our customary and traditional laws is the result of the leadership that the right honorable prime minister and his government have put in place.

But it is the leadership that we hope just does not stop there in changing the law, but the leadership that will carry the process forward, and the compact will assist us in raising that awareness and teaching and encouraging people to know precisely how to take the benefits -- appropriate the benefits of changes in the legal system.

The second I think most important thing has also been highlighted, and that is the impact on the quality of life of all our people. The government commitment to improve the quality of life for all Besotho is very strong.

We need and we try to get a better life for all our people, and that life requires improvements in the health side. It requires improvements in the education and the quality of that education.

And it was a pleasure to hear that Congresswoman Watson is a teacher, first and foremost. That's one thing you share in common with the prime minister. He started right there, and he was selected and elected to parliament from the teaching in 1993.

And he served as minister of education, and then moved on to serve as minister of home affairs and public safety.

That second ministry, (inaudible), is critical for development. We need political stability. We need social stability. We need an environment in which people can make their investments over time and be sure that they will be able to reap the benefits of that investment.

He has also been involved in ensuring public safety and a stable social and political environment.

And of course, water has been touched on, and I won't say anything except to say mine is to introduce the prime minister, who has over the -- since 1993 has provided a lot of leadership, rising from being a minister and the leader of party later, deputy prime minister, and now prime minister.

And over the last five years, six years, he has managed to lead us all in establishing an environment that enables us to score so high in the criteria that is used by Millennium Challenge: Ruling justly, investing in people and in economic freedom.

Ladies and gentlemen, it's my pleasure to present to you the right honorable prime minister, Pakalitha Mosisili, the prime minister of the Kingdom of Lesotho.

(APPLAUSE)

MOSISILI: Madam Program Director, Congresswoman Diane Watson, (inaudible) Ambassador Danilovich, distinguished ladies and gentlemen, thank you very much indeed for being here to mark this important day for the Kingdom of Lesotho.

I would like to take a moment to recognize and pay special thanks to Congresswoman Diane Watson; to the Millennium Challenge Corporation Chief Executive Officer Ambassador Danilovich; and to esteemed members of Congress; president of Women's Edge, Rita Sharma, for the special role that you have all played to make the MCC's compact a reality for Lesotho.

By creating the Millennium Challenge Account and the Millennium Challenge Corporation to run it, Congress has demonstrated a deeper understanding that country-owned aid provides lasting reform and progress.

Congress has also recognized the importance of investing in Africa and, more broadly, of bridging the chasm between the world's well endowed and less endowed nations as a means of promoting economic, political and social stability worldwide.

The compact that we signed yesterday, which provides Lesotho with the financial support amounting to \$362.6 million U.S. over five years, is a recognition of our commitment to democratic governance, economic growth and investment in our own people.

As I said yesterday in the presence of Secretary of State Condoleezza Rice, we embarked on a program of reform not so much to appease anybody but mainly through our own conviction that that is the right thing to do.

That you have recognized us in this manner comes as a bonus to us. The compact's three components -- that is, the water sector, the health sector, and a private sector development program -- will address some of our most serious problems.

It will provide clean water for rural and urban areas as well as for industry, particularly for the textile production.

It will improve sanitation in rural areas, promote protection of Lesotho water sources and wetlands, provide access to better health services, including effective combating of the HIV and AIDS pandemic, and remove impediments to investment as well as strengthen the private sector.

The compact is expected to nearly double Lesotho's GDP growth by the end of the implementation period. As a result of the compact, the GDP growth is expected to reach almost 7 percent within five years of the compact implementation.

As you know, Lesotho has already made enormous progress on the road to economic development. An immediate example is the giant strides that we have made in the textiles and apparel sector stands in large measure to the Africa Growth and Opportunities Act, AGOA.

Indeed, AGOA has played a key role in stimulating this industry. And it remains an important part of our economic growth today. It is crucial that AGOA is enhanced in order to maintain Africa's margin of preference.

To give you an idea of how difficult it is for a small country like Lesotho to gain an advantage in the global market, Bangladesh and Cambodia each export more apparel to the U.S. in a year than all of the African AGOA countries combined.

Without AGOA, imagine the implications, especially for a smaller competitor like Lesotho's apparel industry. The results would certainly be catastrophic.

AGOA has revolutionized Lesotho's economy. If to this you now add the MCC compact, there's no doubt that the benefits that we realized from AGOA will be further deepened and broadened.

Lesotho looks forward to strengthening our already formidable partnership with the United States through these important initiatives, which Congress has so generously and, indeed, wisely provided.

We've embarked, as I said, on our own initiative on very strong and robust programs of reform of our legal system, particularly with reference to removing discrimination against our women.

But on the ground, I would like to assure you that we have made substantial progress. As far as the law reform program is concerned, we've established a dedicated, full-time law reform commission to be engaged on a full-time basis to level the playing field for all the citizens of Lesotho.

And on the political and administrative levels, we have, indeed, made now substantive or substantial progress in ensuring that our womenfolk participate meaningfully at the level of (inaudible) in Lesotho.

Quite a number of our cabinet ministers are today women. For you, that may be quite mundane and not anything to write home about, but considering where we've come from, I can assure you it is a major achievement in our society.

Our minister of health and social welfare is sitting right there, and -- the lady. Our minister of justice is a lady. Our minister of local government is a lady. Our minister of gender and youth and sports and recreation is a lady.

(UNKNOWN): Education.

Our minister of education is a lady, yes, indeed.

(LAUGHTER)

And tourism and environment is also headed by a lady. So we are not doing badly at all.

(LAUGHTER)

(APPLAUSE)

In the judiciary, out of a bench of nine, four judges are ladies. And we have international (ph) assembly. The speaker of the national assembly is a lady.

(UNKNOWN): (OFF-MIKE)

MOSISILI: And so on and so on.

(LAUGHTER)

Of course. Yes, indeed. Yes.

(LAUGHTER)

(inaudible) out her excellency, Ambassador Rapolaki, our ambassador to the United States, is sitting right here, and as you can see, it's a beautiful lady.

(LAUGHTER)

And of course, we have the first woman commissioner of police in Lesotho, and that, I think, is only one of three on the whole continent of Africa occupying that position.

So we are making progress. And indeed, the important thing is to remove the legal impediments that have bedeviled our system and I personally believe that to a very large extent have hindered us from making more rapid progress.

Now, with the compact that we signed yesterday and for which we are very grateful, I certainly have no doubt that both the public and the private sector will, indeed, be engaged to bring about fundamental and long lasting change in Lesotho.

And thanks to the partnership that we've established with the United States of America, these things will certainly bring about real, meaningful change in the lives of ordinary men, women and children in our villages.

I would like to thank you, ladies and gentlemen, for celebrating with us today and, more importantly, for being here this morning to explore with us ways and means of implementing our compact successfully.

Your engagement and support should not be limited to this event only. We must become partners to achieve the lofty goals of the compact within the time that is allocated to it.

Once again, thank you all for coming, and I take this opportunity to wish you success in exchanging views on the implementation of the compact. Thank you, and thank you, and thank you.

(APPLAUSE)

MCNAUGHT: Thank you, Mr. Prime Minister and Ambassador Danilovich, for your remarks.

I know some of you have schedules that are going to take you away, and I want to thank you for your time with us.

We are now ready for the panel part of our program. And before I turn it over to the moderator, let me do a plug for our Web site, www.MCC.gov. I invite you to visit the site for information about the Lesotho compact and about all of our activities with our partner countries.

A transcript of today's event will also be posted in coming days just in case you forget what you've heard here today.

The moderator today for our panel is Darius Mans, managing director for Africa at the MCC. Darius oversees strategic operations in the English and Portuguese speaking partner countries in Africa, and he manages the efforts of MCC country directors and other team members within the group.

Before joining MCC, Mr. Mans was director with the World Bank Institute, responsible for its programs in 45 countries around the world. He served as the World Bank's country director for Mozambique and Angola, residing in Mozambique.

It's my pleasure to now turn the program over to Darius to moderate this panel and take your questions.

Darius?

MANS: Thank you. Thank you very much. Thank you very much.

And good morning to you all. Let me bring the panelists and invite Mrs. Mohapi, also Ms. O'Connell from Women's Edge Coalition, and of course, our fearless leader, Deidra Fair.

Before introducing each of our panelists, let me be certain to give a special acknowledgment to several who have been working tirelessly to make the compact possible at a working level.

I'd like to thank Dr. Majoro, the permanent secretary in the Ministry of Finance and Development Planning, for his leadership and commitment to making this compact a reality today.

Despite a very busy schedule, juggling, I know, lots of responsibilities, he's been a tremendous source of insight and guidance to our team throughout the compact development process.

We very much appreciate his service to the people of Lesotho.

(APPLAUSE)

And we look forward to continuing working with him throughout compact implementation.

I'd also like to give a special thanks to Mr. Gadifa (ph), who's the chief executive for private sector development and financial affairs within the Ministry of Finance and Development Planning.

He has been involved from the very beginning of Lesotho's compact development process and has taken a very active role in each stage of the compact's progress.

Today's compact in many ways is a product of his dedication to keeping the process moving. Although he's unable to join us today, I hope our colleagues from Lesotho will express to him our appreciation and our desire to continue our partnership with him to ensure successful compact implementation.

Let me introduce our panelists. We will ask them to speak for just a few minutes so that we can open up the floor and have a dialogue. I know there's a lot of interest in the compact and implementation of the compact to achieve the objectives that have been set out.

We have Deidra Fair, who is our associate country director for Lesotho at the Millennium Challenge Corporation. Among other things, she has taken the lead role in managing MCC's relations with the government of Lesotho and has represented MCC with many of the donors, with the private sector, with non-governmental organizations, with academia and also civil society.

She's responsible for coordinating the activities and providing leadership to our transaction team within MCC during development of the proposal and throughout the due diligence process.

Prior to coming to MCC, Deidra worked at IFC, as some of you may know.

I also have the great pleasure this morning of having on the panel the project coordinator for MCA Lesotho, Sophia Mohapi.

Mrs. Mohapi has been responsible for initiating, formulating, coordinating, analyzing and monitoring the development of the Lesotho proposal to MCC. I know it's been a very long road.

Mrs. Mohapi is our point of contact in Lesotho for the MCC team here in Washington and has provided overall guidance in establishing the necessary linkages in the ongoing coordination of MCC support.

Prior to MCA, Mrs. Mohapi was chief executive for the Lesotho National Development Corporation.

And our third panelist is Nora O'Connell, who is vice president for global development policy at the Women's Edge Coalition.

She is responsible for leading the organization's policy and advocacy work on international development issues, including increasing access to education, health care and economic opportunity for women and girls and reducing gender-based violence.

I'd like to start by giving Deidra Fair an opportunity to share with you some of her reflections on the development of the Lesotho compact.

(APPLAUSE)

FAIR: Thank you very much.

I would first like to acknowledge and greet the right, the honorable Prime Minister Pakalitha Mosisili, and also the other honorable ministers gathered here today and the Lesotho delegation.

I would also, before I begin my remarks -- and again, thank you for that, Darius -- to say that even though I stand here on this panel, I'm not here alone. And I want to have a special acknowledgment for the team that really made this all possible.

I'd like to thank my right-hand man, Brian Baltimore, who's there in the back, who will be actually moving to Lesotho to work on the compact implementation, and my right-hand woman, Morgan Hester. If you can have two right hands, they are my two right hands.

And also, the team, the Lesotho transaction team, and there are some members here today, and I would just like for you to stand up so the group can acknowledge them, again, so I can say thank you.

(APPLAUSE)

I would also, again, like to acknowledge my mother, who flew in from Indianapolis today, so it's because of you that I'm here.

(APPLAUSE)

I think I'm supposed to stand at the podium. OK. I feel so official. OK. And I wanted to make this a little bit more off the cuff.

What I'll do is talk a little bit about the compact with some of the beneficiaries and how we work with donors.

I think the prime minister and also Ambassador Danilovich did an excellent job at talking about the compact, but I wanted to give the audience a little bit more flavor for what we did during the compact development process.

I first will say the Lesotho-MCC compact was expected to remove constraints to developing the country's human resource base and water resources by improving health outcomes and productivity through a set of activities designed to strengthen the health system, remove barriers to foreign and local private sector investment, and provide water supply for industrial and domestic use.

We feel that the program has a good economic rate of return, and the potential impact on poverty reduction is significant because of its broad geographical reach.

And the program also benefits the poorest and most vulnerable groups of society, including women and children, and individuals and families impacted by the HIV/AIDS pandemic.

It also builds upon the PRSP, the Poverty Reduction Strategy Paper -- excuse me for using acronyms -- and the Lesotho Vision 2020 that Ambassador Danilovich spoke of.

Those priorities that came out of that process are very tightly aligned with what's in this compact. And those priorities were private sector development, provision of infrastructure and natural resource management, and improve access to health care.

Also, the program is consistent with the priorities identified with consultation from stakeholders from the public and private sector.

We had several private sector entities, such as Lesotho Chamber of Commerce, such as the Mochlodi (ph) Chamber of Commerce, and other private sector actors, as well as NGOs that fully participated in the consultative process.

In terms of donor coordination, the design and technical aspects of many of the compact activities benefitted significantly from the input and experiences of other major donors working in Lesotho, such as the World Bank, Irish Aid, PEPFAR, and the E.U.

The MCC team engaged the donor community in all phases of the consultative process and coordinated with donors to refine the compact activities, collaborate on shared objectives, and prevent duplication of efforts and ensure complementary activities throughout the compact process.

The compact's health sector project in particular benefitted from the collaboration with PEPFAR. The programs are mutually reinforcing (inaudible) in country presence (inaudible) PEPFAR set to scale up from one person in early 2006 to seven people by the end of 2007.

An increase in PEPFAR resources is also expected. Together, MCC and PEPFAR input are expected to result in a major increase in the quality and quantity of ART services and the production and retention of human rights for health.

The water sector projects also have benefitted greatly from donors. The Metalong Dam project in particular we're working on with other donors.

The same can be said for the private sector development project. We worked with the World Bank on the national identification card project, (inaudible) on civil legal reform, D.T. Zett (ph), the German development agency on land reform, and USAID on the gender activity through the Women's Legal Rights Initiative project.

In addition, as, again, Ambassador Danilovich mentioned, in terms of the MCC effect, we vigorously supported economic rights of women and strongly encouraged the Legal Capacity of Married Persons bill.

And you know, again, we're very pleased to work in partnership with the government of Lesotho to see that all people could benefit from this compact.

And speaking of benefits, as I mentioned before, just to talk a little bit about some of the beneficiaries for the projects, the water project in particular has the potential to impact over 500,000 people, which is over one-quarter of the population, through expanding employment opportunities in the textile and garment industries, providing water and sanitation to unserved and underserved urban and rural areas, and improving (inaudible) productivity and rural livelihoods.

The \$122 million health sector project has the potential to benefit over 1.3 million individuals particularly in rural areas that are underserved and don't necessarily have an adequate level of service, health care service, at the health center level.

Additionally, it has the potential to directly impact the 24 percent of adults aged 15 to 49 in Lesotho that are HIV/AIDS positive by providing life extending antiretroviral drugs.

The \$36 million private sector development project has economy-wide implications, with the potential to benefit close to 500,000 by improving property and commercial rights, increasing private sector access to credit, particularly among the unbanked portion of the population, and facilitating timely and efficient transfer of payments to the rural poor that depend on remittances, particularly from South Africa, and pensioners receiving payments from the government of Lesotho.

In summary, the team -- both teams -- and when I usually say the team, I mean, collective, not just the MCC team, but our team members on the other side of the Atlantic, MCA core team members, believe this is a well-thought-out, transformative and technically sound project.

It also has the benefit -- it also has the potential to benefit the majority of the population, given the program's broad geographical reach.

Again, thank you for coming out today, and once the panel is over we'll be happy to answer your questions. Thank you.

(APPLAUSE)

MANS: Thank you.

Please join me in welcoming Mrs. Mohapi.

(APPLAUSE)

MOHAPI: The right honorable prime minister, honorable ministers, distinguished guests, ladies and gentlemen, allow me to thank the organizers for this event for affording MCA-Lesotho an opportunity to make a few remarks.

The program which the government of Lesotho developed and submitted to the U.S. government through MCC was derived from two main documents, mainly the Poverty Reduction Strategy and Lesotho Vision 2020. This was alluded to earlier on, so I'm just emphasizing that point.

Development of the poverty reduction strategy involved travel through the country under very difficult conditions in most cases. As you may know, our country has very interesting terrain, and access to certain parts of the country can be a real challenge at the best of times.

It was very important, though, to cover as wide an area as possible to ensure that the majority of people's needs were identified and taken into consideration during the development of the strategy.

Besides, it was imperative that government did not impose its developmental agenda on the nation. So consultation with the nation at large was very important.

(inaudible) the Lesotho program has been built up from these two documents whose ultimate objective is poverty reduction and sustainable economic growth.

So when Lesotho was eligible for MCC funding and the proposal had to be developed, all the ground-work had already been covered.

(inaudible) for Lesotho had already been identified and what really remained was to engage the stakeholders from the public and private sectors in the consultative process on an ongoing basis.

Projects from the public sector (inaudible) development and irrigation skills. It became very evident, though, during compact development that, for example, irrigation without water, water supply, was doomed to fail.

(inaudible), which is one of the fastest-growing sectors, was going to require substantial investment in infrastructure. So that component also had to be dropped, unfortunately.

Consultation with the private sector identified a need to build capacity in business development activities. However, it became clear again that a proper assessment of the needs of the business community would have to be undertaken.

The proposal in many respects is a reflection of the desires and priorities of the Lesotho nation. Notwithstanding fact that Lesotho sells its white gold, water, to its neighbor, South Africa, supply of potable water in many peri-urban and rural areas is still very limited.

The program may not cover all the needs of Lesotho, but it will certainly go a long way in addressing a basic need like provision of clean water.

We are convinced that the intervention in the health sector will strengthen the health care infrastructure, and thus address the economic impact of HIV/AIDS in particular.

And hopefully some of our lost health care personnel will consider coming back home in order to be part of this exciting transformation.

The final set of components should pave the way for ridding the nation of some of the barriers that inhibit foreign direct investment flows into Lesotho.

Through (inaudible) intervention, I'm glad to say that married women will begin to gain respect and not be treated like minors, as was the case prior to (inaudible) 2006.

Throughout the development of the program, I must say there's one activity that I'm sure my colleagues who are here today, the core team members, will remember for many months to come. This was the due diligence process.

There was never a dull moment, I can assure you, ladies and gentlemen.

(LAUGHTER)

It was one thing after the other. But the good thing is we all appreciated why it had to be done, and today we can look back and laugh.

In conclusion, I would like to say it would really be remiss of me if I concluded my remarks without thanking the MCC's transaction team for the guidance they provided during all the stages of proposal development.

To the MCA-Lesotho team, I would like to say if it had not been for your dedication and commitment, we would not be here today, and I would like to thank you specifically for that.

Lastly, this core team that I'm talking about could not have achieved anything without the support from the honorable Minister Thahane and Dr. Majoro and Mr. Hatisa (ph) and we'd like to thank them heartily for that.

Thank you very much (inaudible).

(APPLAUSE)

MANS: And now our last panelist, before we open the floor up for discussion, is Nora O'Connell, as I mentioned, the vice president for development policy, Women's Edge Coalition.

(APPLAUSE)

O'CONNELL: Good morning, Right Honorable Prime Minister, other honorable ministers, distinguished guests this morning.

Thank you very much to the Millennium Challenge Corporation for inviting me to be here today to discuss MCC's potential to meaningfully improve the lives of the poor in Lesotho, particularly women, in the wake of the signing of the Lesotho compact.

I am the vice president of global development policy at the Women's Edge Coalition, and we are a non-partisan, non-profit organization dedicated to promoting economic policies that improve the lives of women in the developing world.

While we're based in Washington, D.C., with 40 organizational members and 20,000 grassroots members, and organizations that include Bread for the World, Care International, World Learning, American Association of University Women, our reach is much broader than Washington, D.C.

And all our members share a conviction that if we're going to make true progress in ending global poverty, we must invest in women.

Why women? Not only are women more vulnerable to poverty, but when we invest in women, women use their additional resources to make sure their children are better educated, that their children have better health care and they have better nutrition.

So when investments go to women and that both women and men can participate meaningfully in the development of their communities and their countries, we see a strong multiplier effect and greater potential for transformation over the long term.

The Women's Edge Coalition has been a supporter of the MCC ever since it was proposed as a new approach by President Bush.

The principles of effective development by rewarding countries that have good policies, fostering country ownership and building in citizen participation to ensure transparency and accountability are core principles to the MCC that we think are great strides in U.S. development assistance.

And the fact that countries that qualify can receive multiyear funding is something that we know is critical to long-term poverty reduction.

But in addition to these structural differences, the MCA was created to put into practice the best practices of development assistance based on over 40 years of experience and to invest in those countries that have the commitment and the capacity to use that assistance to transform themselves through poverty reduction and economic growth.

One of the most powerful lessons over the past four decades of development is that investing in women and men and understanding the different roles that men and women play in their societies, in their communities, in the economies is critical to ensuring that our development interventions actually make a difference.

In fact, sometimes when we haven't taken those into account, our well-meaning attempts at development have done more harm than good.

We've been close observers on the outside of the MCC since it's been formed, and we're so pleased to be here today and offer our heartfelt congratulations to the government of Lesotho, the people of Lesotho who participated in making this happen and the MCC, because we see some critical signals in the Lesotho compact about the direction of the MCC that we think are very exciting.

In the big picture, the MCC is still a very young organization, barely three years old. And during this time, it has been under very close scrutiny as a model program while under tremendous pressure to get funding out the door and to show it can get results.

Some initial missteps led to harsh criticism, some of which was deserved, but much of it which was not. And the MCC has demonstrated that it's truly a learning organization, as we've seen evidenced in the Lesotho compact.

In Lesotho, as in much of the developing world, the effects of poverty are most acutely felt by women. So often it is women who not only care for the children and the sick, prepare the meals, look after the home, but also plant and harvest families' food and spend hours gathering water and fuel.

And amazingly, when there are jobs available, it is often these same women who go out and earn income for their families. And these women may hold the key to finally breaking the cycle of extreme poverty in Africa, but development policy has to facilitate this change.

The women of Lesotho have tremendous untapped potential. The majority of women there have high rates of education and literacy, unlike many countries, and women account for nearly two-thirds of professional- and technical-related positions in the formal sector and are a dominant force in small- and medium-sized enterprises as well as the booming garment sector.

But there are also tremendous challenges that women face. We've heard about the lack of legal rights that, until very recently, married women in Lesotho had. The poorest and most vulnerable households are managed by women.

And you've heard a lot about the extremely high HIV/AIDS rate in Lesotho. And for women, those stakes are particularly dire. According to UNAIDS, by the time a young woman in Lesotho reaches the age of 24, almost 40 percent of those women will be HIV positive.

So it's very critical, the interventions that are proposed in the MCA compact, and we see tremendous potential for transformation.

And there are four, as I mentioned, key signals that we see in the Lesotho compact. One, we see the MCC's willingness to improve and improving health as a key obstacle for economic growth.

In the context of HIV/AIDS, this is particularly critical. And while not every country will decide this is their core priority, the Lesotho compact sends an important signal to other countries that if they choose it as their priority, the MCC will support it.

Two, the recognition that enhancing the status of women is a precondition for effective growth and poverty reduction.

While Lesotho formally passed the eligibility criteria, the MCC realized that the interventions would not take hold and have maximum potential unless both men and women could meaningfully participate.

So while they were eligible, it was only after they undertook legal reforms that they were able to sign a compact.

And I do want to note that sometimes Americans raise concerns that involving ourselves in these kinds of changes is imposing our cultural values on other countries. This is not a case of cultural imperialism, but it is a practical imperative for effective development.

Grassroots organizations, particularly FIDA, in Lesotho have been pushing for changes in these restrictive laws for several years. The MCC simply created an incentive for the government to enact these reforms, and it's a great example of the MCC effect.

In fact, the legislation that was enacted in Lesotho goes beyond what the MCC required, which is further evidence that this was something the country undertook because they believed that it was in their best interest, and the MCC was able to provide the incentive and to support that.

Third is that the recognition in this compact that for programs to be most effective, gender should be integrated not just in specific projects or activities but in a crosscutting way across development intervention.

Lesotho is the first compact the MCC has done that calls for a program-wide gender integration plan, and it truly is integrating gender, which means looking at the roles of men and women.

There are provisions in the compact that call for recruiting male health care workers in rural areas to encourage men to come in for treatment, to talk about their sexual history and to address risky behaviors.

The fourth key point is that the acknowledgment that women's empowerment programs can be an important strategy not just for women but for a country's overall growth and development.

The compact includes specific provisions (inaudible) to ensure that the legal reforms that were undertaken actually take root and that women are able to exercise those economic rights and participate fully in their economy.

The signing of this compact, while I'm sure it feels like the end of a very long road for all of you who were involved in the process, is also just the beginning.

There are tremendous challenges ahead, and I'm going to just outline a few of them, to ensure that really the promise held here becomes realized potential.

One is that the MCC has adopted the groundbreaking gender policy that you've heard about, which has the potential to be a model for other U.S. assistance programs.

In order for this ripple effect to happen, the U.S. government must determine its methods for monitoring the implementation of it and for measuring the impact of these policies and how it's making the MCC more effective.

Further, several countries actually signed compacts with the MCC before this gender policy was in place, so because of that, the MCC can't impose new requirements but will need to work with these countries to ensure that gender is integrated so that programs are effective and have the outcomes that we're looking for them to happen, while still respecting the country ownership.

Finally, for some people, gender integration is still a new way of thinking, and that means that people need to be bought in to truly understand why this will achieve greater results.

Otherwise, it becomes an exercise -- we'll check off a box -- instead of really looking at how they do their development differently, which leads to another point, which is it's not the MCC itself that actually will be responsible for integrating gender. It will be the government and the people of Lesotho.

So the MCC's role will be one of oversight, supporting the leadership of the Lesotho government.

The MCC is under tremendous pressure to move money out the door. They face the possibility of serious underfunding based on the Senate foreign operations bill, and the perception that they have large unobligated balances has contributed to this notion, even though there's a pipeline of countries waiting to sign compacts.

This puts pressure on the MCC to move ahead quickly. And in some cases, where gender integration is new, it can be seen as something that will take more time, even though it will make programs more effective.

The MCC must resist the urge to shortchange gender integration in order to move the funds quickly. This will undermine its effectiveness in the long term, which is really critical to not only the survival but the true success of the MCC.

Finally, gender integration will also require effective input from local civil society. In Lesotho, civil society was really critical to ensuring that the legal reforms happened and to shaping the compact, and not every country is (inaudible) the same civil society capacity.

So how the MCC works with countries to ensure that civil society is able to meaningfully participate is critical.

Today is a very exciting day both for the women and men of Lesotho but all of us in the United States who care about our government's role in helping poor countries move out of poverty.

This compact sends important signals about future directions of the MCC and its potential contributions as a tool for poverty reduction and economic growth.

Much remains to be done, but today is a day for optimism and hope, both for the people of Lesotho and for U.S. development programs. Thank you very much.

(APPLAUSE)

MANS: Great. Now we've come to the question-and-answer session, please. I'd like to invite questions or comments from our audience, whether you want to address them to a specific panelist or for general discussion.

Yes, ma'am.

(UNKNOWN): Can I speak from here?

MANS: Yes. I think we can all hear you.

(UNKNOWN): (OFF-MIKE) in Lesotho (OFF-MIKE) but I am wondering (OFF-MIKE) Lesotho could be (OFF-MIKE) in the plans of the government, the interest of the government, and how (OFF-MIKE) MCC private sector (OFF-MIKE).

MANS: Thank you very much.

Why don't we collect a couple of comments and respond to them?

Yes, sir.

MARINO: (OFF-MIKE)

MANS: Could you come to the microphone so that -- we're being taped, yes.

MARINO: OK. Yes, hi. My name is Paul Marino. I write for EIR Magazine. This is Mr. LaRouche's magazine. And my question is on Lesotho's power and transportation requirements.

I wonder if you could speak a little bit about what they are, and in the discussions with the MCC and others what degree of building of railroad for regional transportation and power, particularly nuclear power application, has been discussed, and what are the plans for the future.

MANS: And let's take just one more question, if there are any.

Then let me give the minister of finance an opportunity to address the first question around the credit system that was raised.

I think you need to come to take a microphone. Yes.

THAHANE: Thank you very much for that. It's a very good question. Lesotho has had a very good history in the past of working with the credit unions, and the Credit Union League did work with us for some time.

But it does seem as if, over time, the credit unions weaken, and the government is now involved in looking at the revitalization of the credit unions as well as the cooperatives, but this time looking a lot more closely into the regulatory environment, because it also turns out that in the credit disbursements and use of the credit, because of weak supervision, many of the people lost their funds and so on.

So we hope in the private sector and in the strengthening of the credit system and women's access to credit -- we would like to invite you to join us in strengthening the system and the delivery system to the villages and all around.

And I am aware the Credit Union League has done a lot of work in other countries around Africa.

(UNKNOWN): Well, thank you.

MANS: Thank you, Minister.

(UNKNOWN): (OFF-MIKE) I work myself in Lesotho (OFF-MIKE) so I was very happy (OFF-MIKE)

MANS: Oh, excellent.

(APPLAUSE)

MANS: Now, on the question about energy, we're very lucky to have the minister responsible here today, who could share with us his perspective on...

(UNKNOWN): This is a relatively small hall. I believe my voice could carry to the end of the room, is that right?

(UNKNOWN): Maybe to the podium.

(UNKNOWN): OK, maybe.

(LAUGHTER)

(UNKNOWN): Well, about the question from the gentleman, Mr. Marino -- right?

MARINO: Yes.

(UNKNOWN): OK, Yes. Regarding power, around this present compact we don't have any dedicated specific component for power generation, but from the inception of the components of the compact, the government of Lesotho has always considered a possibility for a small, mini hydro power plant at the Metalong Dam site.

Whether we will have a sizable, renewable, environment-friendly hydro power component at the dam I think remains to be seen, because we will soon have a detailed design of the dam itself, which is not being financed from the compact.

That's the upstream. The dam wall and other components of the dam are not financed from the compact itself. But I hope that we can come back a few months from now and say that yes, we have a five-megawatt or 10-megawatt component, hydro power generating component, within the dam itself.

But generally speaking, yes, the country is looking at possibilities for developing environment-friendly hydro power, because of the rugged terrain -- the mountains, the gorges, the high tops of mountains and deep valleys, we do have a considerable potential for generating hydro power through the country.

I have had, in recent weeks, approaches, interestingly, from those who are suggesting that we take a serious look at developing nuclear power in Lesotho -- for peaceful uses, I can assure you. I don't know if that sufficient addresses the question.

MANS: Yes, it does.

(UNKNOWN): Thank you very much.

MANS: It does, Minister. Many thanks.

More questions and comments?

Yes, ma'am, please. If you could take the microphone so everyone can hear you.

(UNKNOWN): Thank you for taking the question. My specific question is to -- Lesotho really lost a lot of Besotho, educated Besotho, experienced Besotho, especially to South Africa and foreign countries.

Through this (inaudible) are there means that you would specifically target bringing some of that knowledge back?

And secondly, is there a specific process or have you already established specific projects that will be publicized for -- could possibly attract some of the people back? Thank you.

MANS: OK. I think we have time for more.

PERSELL: My name is Peter Persell from...

MANS: I'm sorry, sir, I have to ask you if you could take the microphone so you can be captured for the record.

PERSELL: My name is Peter Persell, from the non-governmental organization Africare, and I would like to share a little bit of discussion as to the implementation particularly of the water and health aspects of the MCC, and if there is a role for international NGOs to play in that implementation.

MANS: OK. All right.

Then let me ask Ms. Mohapi to talk a bit about the efforts that are being made to explain the program, especially targeting overseas Besotho.

And, Deidra, if you could talk a bit about the role of non-governmental organizations in the compact.

I think that you could actually (inaudible) microphone. Would it be better here?

MOHAPI: Yes.

MANS: OK.

MOHAPI: One of the few people everyone back home (inaudible). You have to go back home. I'm inviting you right now to go back home and participate in this transformation.

I think you are raising a very important point in that it took the -- it's a great pity that we lost some of our experienced Besotho. But then, you know, this is a world of competition.

If people want to leave and, you know, go and work elsewhere, there is no way anybody can stop them. And this happens across the world. In South Africa, you hear the government complaining about the loss of engineers to Canada, Australia, you name it.

So the same is applied to Lesotho. What we are going to try and do is to advertise in the, you know, relevant media, Web sites, when the procurement is started. And hopefully, our people will find it, you know, in their hearts to come back home and help the nation to develop.

In the case of the health sector specifically, because this is critical for the development of our country, efforts are being made, and I'm sure the minister of health would be helpful in this regard, to try and improve the working conditions of the health personnel so that it becomes attractive for them to go back home.

I am aware that efforts are being made to improve the salaries and everything else that -- you know, the packages, so that it becomes attractive for them to go back home. So we are crossing our fingers to say, "Please, guys, out there, come back home."

I don't think that any specific efforts other than, you know, this particular area in the health sector, we're saying, "Improve the package."

I need help.

(LAUGHTER)

My bosses are here, you know, and -- Dr. Majoro, you can't let me (inaudible)

MANS: Let me invite the minister...

THAHANE: I'm sorry. She bosses me around.

(LAUGHTER)

THAHANE: I think there are a number of things that are under way. The first one -- the government has embarked on an overall review of the salaries of the professionals, health professionals and other professionals, because that is critical for retaining people across the board, professionals, and making sure they can contribute to the implementation of the compact and other development projects.

The second effort I think Mrs. Mohapi has touched on -- professionals do not only stay in one place because of the salaries, but the working conditions as a whole, the environment. And that is the second initiative that government is addressing.

We should be launching by the end of this year a major hospital project which is a replacement of the current Queen Elizabeth II Hospital. It's a 400-bed hospital, and very modern, and it will be run by the private sector.

The working conditions and environment for various specialties should really be very important.

But lastly, the ministry of health itself has engaged in a systematic program of training but also looking at the -- that people, after being trained, do serve before they go for greener pastures.

But we hope that the environment that the government is creating as a whole, living in Lesotho, is such that it will be nicer living in Lesotho than in Washington.

(LAUGHTER)

I think I can say that (inaudible).

MANS: Thank you, Minister.

And, Deidra?

FAIR: Thank you for the excellent question. Actually, there is two particular examples of where the NGOs could participate, and particularly for the NGOs in Lesotho.

The governance structure of the MCA during implementation, the MCA-Lesotho, includes a stakeholders committee, and that stakeholders committee will be made of NGOs and private sector members that will help in the oversight of MCA.

In this end, several members from that stakeholders committee will be a part of the MCA board that will actually be responsible for the implementation, and so from the very beginning you'll have representation from NGOs in Lesotho and private sector.

In terms of procurements, NGOs also have an opportunity to partner or even to go alone in procurement of some of the services for the compact. In particular, there's already an example in some of the pre-compact funding that we allocated to Lesotho.

The Federation of Women Lawyers, FIDA, won the contract to do a review of the laws. And so that's just one instance where the NGO community was able to actually be a part of the compact as well.

Tricia Moser is here. She's our health specialist. And maybe, Tricia, you may want to talk for a few minutes about any NGO representation for the health projects in particular.

MOSER: Great. Yes, Deidra, first, I'd like to also follow Minister Thahane's comments about trying to attract Besotho back to Lesotho, particularly in the health profession.

Besotho health professionals are very highly trained. The nurses actually do find greener pastures. There was a survey that was done a couple of years ago asking Besotho nurses why they leave service, and one of the big issues, as Minister Thahane said, was the working conditions, the living conditions, particularly in the rural areas.

One of the pieces that's included in this is upgrading or renovating of housing associated with rural clinics, rural health centers. And we hope that will make a difference.

Also, we're assisting the National Health Training College in increasing the number of tutors. They actually have a headhunter who is specifically looking for Besotho from the region to come back in to serve in the National Health Training College.

If people here have friends, I hope that they will forward the names to the minister of health.

On the NGO issue, one of the things that I think we're particularly happy about at MCC was that the ministry of health and the government of Lesotho requested that we not only include the public sector in the renovations but that we also include the NGO sector.

So in Lesotho, about half the services at the primary care level are provided by NGOs. And the ministry of health and government asked that the MCC funds be used indiscriminately in renovating both NGO and public sector infrastructure.

So we're actually quite pleased with that, and the NGO sector participates in the health project as a true partner. Thank you.

MANS: Thank you very much.

And I think we have time for just one last question. Please.

(UNKNOWN): I'm (inaudible) Global Work Foundation. One of (inaudible) under AGOA (inaudible) and the reason for that is (inaudible) be able to (inaudible) from other countries because it's a beneficiary of (inaudible) under AGOA.

And I'm wondering, under the compact are work being done to improve Lesotho's capability to (inaudible) regionally so that after this provision expires again Lesotho is not vulnerable to that?

MANS: OK.

Ms. Fair? We'll turn to the minister of finance or the -- to help us with this one.

(UNKNOWN): (OFF-MIKE)

MANS: Sourcing of fabric regionally.

THAHANE: I think the question (inaudible) has been one of the selection criteria in looking at the programs.

So when we look at the textile and apparel sector, there are a number of things that we also looked at. One, we looked at the people employed in the sector. There are over 45,000, 50,000 employees, and most of them are women.

And so one of the targets -- and we had to work together with the sector -- was to look at the -- (inaudible) it's the association where we try to assist the women working in the textile sector both with the advice on HIV/AIDS and the management and all that. Industry, government and the compact will be involved in that.

So that is not an institution that will suddenly close when the compact is over.

Second, when we look at the water from the compact here, there needs to be the dying of the fabric in Lesotho. But that cannot be done. Bono and his label are ordering things, but they need to be dyed.

So water has been a very critical element, so there are programs and projects that will build on the water that is being delivered from Metalong to deepen that process.

Lastly, as the textile sector -- it needs to be anchored, and so we are looking at the deepening, bringing more value-added, more processing added value in the whole textile area. That involves a lot of training, and the government is already working with other partners to complement this.

So since I'm on Capitol Hill I may as well take advantage of making a plug. I think the prime minister did mention that, but one needs to be a bit more blunt. He said the African countries need to be protected for a long time, for some time, in order to deepen the sector (inaudible).

And here, the African countries and, in particular, regionally -- we are targeting ourselves to be a good processing center in the deepened -- we already have denims produced in Lesotho, but we now need to be looking at cotton from the rest of Africa.

And we are going to be looking at other aspects of the textile fabric, so whatever is done on the Capitol Hill legislatively, we would like at least the protection for us to be able to catch up with our Asian counterparts in the deepening of our skills and industry and processing.

Seven years or five years is not going to be enough to achieve that goal. So help us to make sure that we can have a longer time to build the capacity, the institutions, the skills and the processing.

I don't know whether I answered the question, but I answered my own.

(LAUGHTER)

MANS: Thank you very much, Mr. Minister.

Let me thank you all for coming out and showing the strong support for the compact.

I'd also especially like to thank the government of Lesotho under the leadership of the prime minister.

We all look forward to your continued engagement and support as we move forward to achieve the goals of the compact, continue to support Lesotho during its implementation.

Thank you all very much for coming out.

(APPLAUSE)

END