



**MILLENNIUM**  
CHALLENGE CORPORATION  
UNITED STATES OF AMERICA

FINAL STATUS REPORT



**Lesotho Compact**

AS OF JUNE 2014

**COMPACT GOAL**

The five-year \$362.6 million Lesotho Compact is designed to: 1) Increase the availability of water for households and industrial use; 2) Test watershed management and conservation methods; 3) Rehabilitate health infrastructure and strengthen health systems; and 4) Remove barriers to foreign and local private sector investment.



**COMPACT AT A GLANCE**

Compact Signed	<b>07-23-2007</b>
Entry Into Force	<b>09-17-2008</b>
Compact End Date	<b>09-17-2013</b>
Compact Total	<b>\$362,551,000</b>
Amount Committed	<b>\$358,045,894</b>
Amount Expended	<b>\$358,045,894</b>
Estimated Program Beneficiaries	<b>1,041,422</b>
Estimated Increase in Household Income	<b>\$376,000,000</b>

% OF TOTAL COMPACT		BUDGET (USD MILLIONS)
41%	<b>Water Project</b>	<b>\$149.8</b>
40%	<b>Health Project</b>	<b>\$145.2</b>
7%	<b>Private Sector Development Project</b>	<b>\$24.1</b>
10%	<b>Program Administration</b>	<b>\$35.5</b>
2%	<b>Monitoring and Evaluation</b>	<b>\$7.8</b>

■ Project Preparation ■ Project Implementation

Water Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>1</sup>							
	\$149,867,405	\$149,813,612	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5			
<p>This project seeks to improve the water supply for industrial and domestic users by providing essential infrastructure, water system upgrades, and watershed management. The project is also designed to enhance rural livelihoods through improved water availability.</p> <p><b>Projected Long-Term Results</b> (Up to 20 years)</p> <table border="1"> <tr> <td>ESTIMATED BENEFICIARIES</td> <td>ESTIMATED INCREASE IN HOUSEHOLD INCOME</td> </tr> <tr> <td><b>236,874</b></td> <td><b>\$173,000,000</b></td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	<b>236,874</b>	<b>\$173,000,000</b>	Metolong Dam Bulk Water Conveyance System					
	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME								
	<b>236,874</b>	<b>\$173,000,000</b>								
	Metolong Dam Program Mgmt. Unit									
	Urban & Peri-Urban Water Infrastructure									
	WASA Proj. Implementation Unit									
Rural Water Supply & Sanitation Infrastructure										
Wetlands Restoration & Conservation										
	<b>PROJECTED RESULTS BY END OF COMPACT</b>	<b>PROGRESS TO DATE</b>	<b>PROJECT ACHIEVEMENTS</b>							
	<p>Reduced school and work days lost due to waterborne diseases; Increased rural household access to improved latrines and improved water supply; Delivery of more reliable water services to urban and peri-urban households and industrial users.</p>	<p>The Metolong Water Treatment Works construction is over 80% complete. Three of five of the Urban and Peri-Urban Water contracts are complete; the remaining two are at 82% and 96% complete. Two of four phases of the Rural Water Supply activity are completed; one of the remaining two is at 28% complete and the other is mobilizing.</p>	<p>Construction on the Metolong Water Treatment Works is expected to be completed in early 2014. Three of the five Urban Water supply contracts are completed. The remaining two along with all phases of the Rural Water Supply activity are expected to be completed in early 2014.</p>							

Health Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>†</sup>					
	\$145,208,565	\$143,626,314	\$143,626,314					
<p>This project is designed to mitigate the negative economic impacts of poor maternal health, HIV/AIDS, tuberculosis (TB), and other diseases by substantially strengthening Lesotho's health care infrastructure and health system: capacity of health care workers, national health informatics system, decentralization, research management, and medical waste management.</p> <hr/> <p><b>Projected Long-Term Results</b> (Up to 20 years)</p> <table border="0"> <tr> <td style="text-align: center;">ESTIMATED BENEFICIARIES</td> <td style="text-align: center;">ESTIMATED INCREASE IN HOUSEHOLD INCOME</td> </tr> <tr> <td style="text-align: center; font-size: 1.2em;"><b>752,003</b></td> <td style="text-align: center; font-size: 1.2em;"><b>\$142,000,000</b></td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	<b>752,003</b>	<b>\$142,000,000</b>	<p>The chart shows expenditures for: Health Care Center Infrastructure (Year 1-2), ART Clinic Infrastructure (Year 1-2), Central Lab Infrastructure (Year 1-2), Blood Transfusion Center (Year 1-2), Nat'l Health Training College Dormitory Infrastructure (Year 1-2), Health Systems Intervention (Year 1-5), Medical Waste Management (Year 1-4), and Health PIU (Year 1-5). A vertical line marks the 'PRESENT' date at the end of Year 5.</p>			
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME							
<b>752,003</b>	<b>\$142,000,000</b>							
	<b>PROJECTED RESULTS BY END OF COMPACT</b>	<b>PROGRESS TO DATE</b>	<b>PROJECT ACHIEVEMENTS</b>					
	<p>Up to 138 health centers and 14 out-patient departments renovated; Strengthened and mainstreamed HIV/AIDS and TB services; Construction of a new central lab and blood facility; Strengthened health systems and improved medical waste management.</p>	<p>Health center infrastructure is 88% complete, with over 30% equipped; 14 out-patient departments have been renovated/expanded; construction of a new central lab, blood treatment facility and new National Health Training College dormitory and staff housing is completed; and contractual training targets for health systems strengthening have been significantly exceeded.</p>	<p>Electronic medical records successfully piloted, scale-up is pending; capacity-building undertaken within Ministry of Health to oversee research agenda; health care waste system pilot is underway; health management information system is under development; training provided to improve technical and managerial skills within Health sector.</p>					

Private Sector Development Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>†</sup>					
	\$24,162,433	\$24,162,433	\$24,162,433					
<p>This project is designed to increase private sector economic activity in Lesotho by improving access to credit, reducing transaction costs, and increasing the participation of women in the formal economy.</p> <hr/> <p><b>Projected Long-Term Results</b> (Up to 20 years)</p> <table border="0"> <tr> <td style="text-align: center;">ESTIMATED BENEFICIARIES</td> <td style="text-align: center;">ESTIMATED INCREASE IN HOUSEHOLD INCOME</td> </tr> <tr> <td style="text-align: center; font-size: 1.2em;"><b>368,319</b></td> <td style="text-align: center; font-size: 1.2em;"><b>\$60,000,000</b></td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	<b>368,319</b>	<b>\$60,000,000</b>	<p>The chart shows expenditures for: Civil Legal Reform (Year 1-2), National ID/Credit Bureau (Year 1-2), Land Admin. Reform (Year 1-2), Payment &amp; Settlement Sys. (Year 1-5), and Gender Equality in Econ. Rights (Year 1-4). A vertical line marks the 'PRESENT' date at the end of Year 5.</p>			
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME							
<b>368,319</b>	<b>\$60,000,000</b>							
	<b>PROJECTED RESULTS BY END OF COMPACT</b>	<b>PROGRESS TO DATE</b>	<b>PROJECT ACHIEVEMENTS</b>					
	<p>Credit bureau established; Regularization and registration of 55,000 land parcels; Increased commercial dispute resolution; Gender equality program implemented.</p>	<p>LAA records indicate that time to conduct a land transfer has decreased from 101 to 57 days; 23,928 parcels have been registered. Commercial court cases have increased from 149 in 2008 to 297 in 2013 and over 1,000 small claims cases have been filed. A credit bureau operator has been selected and registered by the Central Bank of Lesotho. Debit/smart card distribution is underway. Targets for people trained under gender activity were exceeded.</p>	<p>Over 26,300 women hold individual or joint titles to urban and peri-urban land, exceeding projected targets. The Land Administration Authority (LAA) was legally established through passage of the LAA Act in June 2010, and is now fully operational. Data Privacy Bill and the Credit Bureau Bill were passed and published. Commercial court established and mandatory court-annexed mediation of civil and commercial cases supported by compact investments.</p>					

Note: Progress is reported as of September 2013.

Please note: Health and water "Progress to Date" sections reflect data through December 31, 2012, which were reported in early 2013.

<sup>†</sup>Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.

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