



THE LESOTHO NATIONAL REPORT ON THE NEW URBAN AGENDA

JANUARY 2026

Ministry of Local Government, Chieftainship, Home Affairs and Police

## I. EXECUTIVE SUMMARY

### Background: Urbanization in Lesotho

Globally, 54% of the population lives in urban areas today, and this trend is expected to continue to almost 65% by mid-century. By 2045, the number of people living in cities will increase 1.5 times from 4 billion to 6 billion. The share of Africans living in urban areas is projected to grow from 36% of its population in 2010 (400 million) to 55% by 2050 (1.26 billion).

For Lesotho, this trend may seem unimaginable given the low rate of urban population since the early 2000's, which is currently 26.8%. The reality is that even if Lesotho's urban population were to grow only from its existing rate to 35% by 2050 (with no increased national population growth), at least a quarter million people will likely migrate from rural areas to towns and cities. More realistically, UN-Habitat projects that Lesotho's 2050 population will be approximately 2.8 million with a 46-55% urbanization rate, which implies an increase of between 800,000 to 1 million urban residents in Lesotho by 2050.

### Outline of This Report

As shown in the outline below, the layout of the report follows the layout recommended by NUA Revised Reporting Guidelines (2024.)

#### I. EXECUTIVE SUMMARY

#### II. LESOTHO NEW URBAN AGENDA REPORT

##### II.A. Sustainable Urban Development for Social Inclusion and Ending Poverty

1. Reducing Inequality and promoting social inclusion and empowerment of vulnerable groups.
2. Access to Adequate Housing
3. Access to Basic Services

##### II.B. Sustainable and Inclusive Urban Prosperity and Opportunities for All

1. Inclusive urban economy
2. Urban productivity and prosperity

##### II.C. Environmentally sustainable and resilient urban development

1. Resilient and adaptive urban development
2. Climate change mitigation
3. Biodiversity and ecosystem conservation

#### III. EFFECTIVE IMPLEMENTATION

1. Alignment to international commitments
2. Building the Urban Governance Structure/Establishing a Supportive Framework: Articulation of the Lesotho Urban Agenda since 2015.
3. Planning and managing of urban spatial development
4. Mobilization of Financial Resources, Capacity Development, Technology and Innovation.

#### IV. REVIEW, ASSESSMENT AND STRATEGIC WAYS FORWARD

1. Achievements
2. Challenges
3. The Strategic Way Forward
4. References

### **Process for reporting on the implementation of the New Urban Agenda**

This brief National Report on the New Urban Agenda is a synoptic country report produced by a country team composed of experts from the government ministries (Ministry of Finance and Development (M& E Unit, SDG Coordination Unit, and NSDP Coordination Unit), the Bureau of Statistics, Prime Minister's Office –( Disaster Risk Management Authority), Ministry of Local Government Chieftainship, Home Affairs and Police, Ministry of Environment and Forestry (Meteorology – Climate Change Department ), Ministry of Information, Communication, Science, Technology and Innovation, Ministry of Trade, Industry and Business Development, Local Governments, Maseru City council and other agencies responsible for human settlements and urban development, Academia, Civil Society and the Private Sector. The team worked together with an international consultant engaged by the Government of Lesotho to develop the Lesotho Urban Agenda Support Programme.

The report draws inputs that were available from international, & regional reports and to a large extent from national reports including data from Bureau of Statistics, National Strategic Development Report, Sustainable Development Goals VNRL report, Second Nationally Determined Contributions of Lesotho and project preparation for Maseru2050. Inputs from ministerial progress reports and workshop consultations have also contributed significantly.

## II. LESOTHO NEW URBAN AGENDA REPORT

*This section details out Lesotho's compliance with the New Urban Agenda, using key suggested indicators (where available) or substitutes as available, complemented with narrative reporting on the trends and current state of Lesotho sustainable urbanism. Not all required data has been available, so in some cases the reporting will address achievement of relevant indicators to the best extent possible. Compilation of relevant datasets and reporting procedures will be one of the key strategic moves going forward to enable monitoring and evaluation of Lesotho's New Urban Agenda. (NB: Lesotho will be conducting its decennial census in 2026 and considerable new data will be available for a 2027 update).*

### II.A. Sustainable Urban Development for Social Inclusion and Ending Poverty

#### 1. Reducing Inequality and promoting social inclusion and empowerment of vulnerable groups.

**Poverty Rates and Inequality.** The GoL has successfully reduced absolute poverty in the past two decades. The proportion of Basotho who are classified as poor decreased by about seven percentage points, from 56.6 per cent in 2002 to 49.7 per cent in 2017. In absolute terms, this translates to 994,000 people living below the poverty line, meaning one million Basotho do not live at a basic level of consumption sufficient to survive, and half a million live at an extreme level of vulnerability.

Given different rural and urban population growth and urbanization rates, the largest decrease in the absolute number of poor has been in the rural areas, while in percentage terms, the largest drop has been in urban areas. In urban areas, the poverty rate declined from 41.5 to 28.5 per cent, while in rural areas, poverty decreased marginally from 61.3 to 60.7 per cent. Comparing the absolute number of poor in urban and rural areas shows an increase of about 16,000 in urban areas. In contrast, in rural areas, the absolute number of poor fell by 63,000, which drove the 47,000 reductions in the number of poor at the national level. The COVID-19 pandemic may have negatively impacted this trend.

**Reducing Inequality.** The level of inequalities measured as the Gini index also declined from 51.9 in 2002/2003 to 44.6 in 2017/2018. However, some gains were eroded by the effects COVID-19 pandemic, pushing additional 2 per cent of the population into poverty and rendering more than 25 per cent food insecure. The Government of Lesotho continues to implement social protection programmes across the country with the aim of ensuring that all Basotho, especially the vulnerable and marginalized, are included into the mainstream economy. The country launched the disability grant for people living with disabilities, following the enactment of the Persons with Disabilities Equity Act in March 2021. The Government allocates 6.4 per cent of the national

budget to social protection programmes that includes cash transfers under Old Age Pensions (OAP), child grants, and school bursary schemes. Access to basic services like education, water, and sanitation has improved while access to electricity, especially in the rural areas, remains low.

**Life Expectancy** was 61.6 in 2021/2022 to the projection of 65 by 2027/2028. Increasing life expectancy by four years in a six-year period is a monumental task that reflects profound expected improvements in public health. From an economic standpoint, rising life expectancy is a core component of human capital, potentially extending the productive working years of the population and reducing the dependency burden. However, achieving this is contingent on the same massive investments in healthcare infrastructure, disease prevention, and treatment that are implied by the target for maternal mortality.

**Achieving social inclusion and empowerment of vulnerable groups (women youth, youth, older persons and disabilities).** Key progress made includes improvement of infrastructure to accommodate people living with disability. For example, new legislation and policies include the Disability Act, Anti-trafficking Act, child marriage and social security programmes for children and the elderly.

**Gender Based Violence.** This issue has received significant attention by the Government of Lesotho. The Ministry of Gender and Youth, Sports and Recreation in collaboration with the civil society has simplified, translated and disseminated Convention on the Elimination of all forms of Discrimination against Women (CEDAW). The Ministry has also conducted CEDAW sensitization campaigns in the districts where at least three campaigns per district are held each year in order to raise awareness about the convention. To protect women who suffer sexual and gender-based violence (SGBV), the Government of Lesotho established the Lapeng Care Centre, a one stop centre that provides temporary shelter for survivors of SGBV. The Centre collaborates with the Child and Gender Protection Unit and other stakeholders for referral of the survivors of domestic and gender-based violence. The government has organized capacity building workshops and training for police, prosecutors and judicial officers to sensitize them on the upcoming law to counter domestic violence. The government has enhanced data collection tools in key service points such as health centres and police stations to document cases of domestic violence. In order to de-stigmatize victims of domestic violence and gender-based violence, the Ministry of Gender organized advocacy and community engagements on the importance of reporting abuse and violence in all its forms. A toll-free number was established for reporting of GBV cases. An information sharing centre was established where victims, and people in general can access information about GBV and gender related information. The government and civil society organisations jointly run campaigns on gender-based violence prevention and human rights. These campaigns target women and men, girls and boys. Though there is slow progress in attitudes change, there is an improved understanding of GBV and its impact. Different civil

society organisations conducted studies on gender-based violence which will inform the government to design appropriate interventions in addressing GBV issues in Lesotho.

In regard to gendering of urban areas, this element has not been previously considered in spatial planning or design. However, the Maseru2050 plan is infused with a gendered perspective. One of its key elements is the “15-minute neighborhood” which lays out transit, public services, social services such as health and child care, and local economic development trainings within easily accessed “neighborhood hubs” that maximize the spatial efficiency of all programs targeted at women and families.

**Migration Policy.** Due to its location and economic structure, migration movements have long affected Lesotho for socio-economic, cultural, and political purposes. Besides the migrant mine workers, there has been an increasing number of women migrants over the last twenty years to work as domestics or seasonal farm labour. Almost 20 per cent of the population of Basotho depend on remittance income for livelihood. The COVID-19 pandemic forced migrants to return home while some could not go home, thus stranded in South Africa. Therefore, in Lesotho, both former and returning migrants are among the vulnerable groups. These groups must be reintegrated into the economy, communities, and families. There is a lack of programmes to cater for the skills development needs of migrants. The government has developed the National Diaspora policy to enhance the contribution of the Basotho diaspora to the socio-economic development of the Kingdom of Lesotho.

**Ensuring access to urban public space.** Based on data from UN-Habitat Urban Indicators Database UMF 44 (2020) and the Maseru Green Systems Network Conceptual Master Plan (2021) there are a lot of open spaces within the Maseru (13% of land coverage) and other urban councils, but according to that data, only half is accessible to public. A closer look reveals that some of these areas are closed off to the public and privately controlled by institutions. Many public areas have limited public access, which restricts how they can be used. For example, many prime recreational spaces are privatized or exclusive, including the large golf course and Maseru Club along Kingsway; the soccer fields (in the flood plains at Florida) opposite the Basotho Hut and at Kick4Life; and the tennis courts. Other public open spaces such as Maseru Central Park and Makoanyane Square have restricted access to the public, limiting their use. The mapping from MGSNCMP shows patchiness in connectivity and lays out an interconnected system that will provide cross city trails through natural and urban corridors.

## **2. Access to Adequate Housing**

**Housing Policy and Programs.** The Government of Lesotho, in collaboration with UN-Habitat, produced the National Housing Profile 2015 and National Housing Policy and implementation

plan in 2018 as the overall framework for guiding housing developments in the country. Housing standards and building codes remain quite old and needs to be revised to bring them up to date.

- The bulk of housing in Lesotho is privately provided by owners and financed through individual savings. Statistics show that private individual provision accounts for 70% of all housing development, with the remainder divided between governments, Lesotho Housing and Land Development Cooperation, private sector employers and private property developers that currently caters exclusively for high- and middle-income earners.
- The Lesotho Housing and Land Development Cooperation (LHLDC) has engaged in various housing projects in the form of building houses for sale and providing serviced sites for sale where people are able to purchase the sites and construct their own houses on an incremental basis. The total number of sites produced from 2016 is 1846 and the total number of houses constructed is 80. LHLDC obtains financing from the commercial banks to compensate field owners for their land where the land has not been provided by the government. The Corporation further facilitates ease of housing finance by engaging in partnerships with Commercial banks (signing of MOUs with different banks) particularly for low-income earners.
- Habitat for Humanity Lesotho (HFHL) which began operations in 2001 has also made noteworthy progress in improving housing and community infrastructure, delivering over 1300 houses complete with pit latrine, 1201 stand-alone pit latrine, and supported 144 houses with essential house repairs. Through the green energy initiatives, the organization has distributed more than 927 energy saving stoves, reducing environmental impact and improving household efficiency. Access to clean water has been enhanced constructing 9 community water systems contributing to healthier and more resilient communities across the country.

**Access to sustainable housing finance.** Different incomes are situated in different housing finance systems. These should be characterized in more detail to show that the majority of Basotho are in the very lowest incomes and housing finance schemes and support should be directed at the majority population, not only the upper incomes.

- *Upper income segments.* The banking sector is the primary source of mortgage financing, while microfinance institutions exclusively offers personal loans for self-build construction. Standard Lesotho Bank, First National Bank, Nedbank, and Lesotho Post Bank are the four banks that offer these services. The Central Bank of Lesotho (CBL), the only regulatory body in the nation, oversees all financial institutions. In 2023, CBL set the prime lending rate at 11.25% and it has remained unchanged in 2024. However, the interest rates various commercial banks charge for mortgage financing range from 11.55% to 13.5%. A 10% down payment on the loan is often required, and the remaining balance may be repaid over 20

years. Lesotho Post Bank's repayment schedule may be up to 30 years, depending on several variables, including the borrower's retirement age and the rate of the installment payments. In 2023 Standard Bank of Lesotho signed a memorandum of understanding (MOU) with the government and civil servants to provide favorable loan terms that accommodate civil servants. These terms include a more extended repayment period, a larger loan amount than that for which they are typically eligible, and flexible repayment options.

- *Moderate Income.* The Standard Lesotho Bank collaborated with the Lesotho Housing and Land Development Corporation (LHLDC) on a project for low-cost housing at Linakotseng, Maseru, specifically for low-income earners. The prices were M95 000 (US\$ 5 263) for a single room, a two-room house for M110 000 (US\$6 094), and three rooms for M295 000 (US\$16 345).<sup>22</sup> The LHLDC is a state-owned corporation that provides a comprehensive rental service for residential properties as a responsive strategy. However, given their income levels, this was well out of reach for most of Lesotho's low-income earners.
- *Lower income.* The majority of the country's poor need help to afford the mortgage underwriting standards. The loan repayment amount is typically far greater than the borrower's net income. Hence, incremental construction and self-help housing are common in Maseru. In March 2024, the CBL indicated that there was already a total outstanding residential mortgage value of all banks in Lesotho of M435 million (US\$24 million), marking a significant increase of M182 million (US\$10 million) since June 2023. This change is evidence of the increasing rate of risk through unemployment and poverty in Lesotho.

**Security of tenure.** Lesotho has a dynamic land tenure system, primarily the statutory (leasehold) and customary systems. Land tenure rights have three types: leasehold, Form C, and Title Deed. The Land Administrative Authority (LAA) is the parastatal land agency with the authority to offer national cadaster, mapping, land administration, and the registration of land title deeds under the terms of the Land Act No. 8 of 2010. Landowners with leasehold rights can engage in various activities, including using the property as collateral for bank loans. By the end of 2023, LAA had a fully functional digital registration system that hastened the process. It takes 10 days for a leasehold to be issued at a flat rate, but for express services, which cost M1 500 (US\$83.11), it takes less than 5 days for a lease to be issued. The LAA charges a registration fee of M300 (US\$16.62) for the deed of transfer and a consent fee on residential property of M100 (US\$5.54). Other fees charged include stamp duty and transfer duty, which are based on the property's market value. In 2023 alone, there was a total of 1 917 leases registered and a total of 100 809 registered properties since 1981.

LAA helps the Department of Lands Survey and Physical Planning in fast tracking issuance of legal land ownership document (Lease) in the process of ensuring allocation of land, for

appropriate Land uses/zoning within settlements. The digitized LAA system should be fully integrated into municipal land planning and construction permitting GIS systems going forward.

**Fostering slum upgrading programmes.** There has been a raft of policies and proposed legislation impacting on the growth and development of slums in the country including: the Land Act 2010, Decentralization Policy 2014, National Strategic Development Plan , National Housing Policy 2018 and Lesotho Slum Upgrading and Prevention Strategy 2023.

Currently Maseru City Council is the only local authority that is involved in structured settlement upgrading schemes, where it has been advancing the provision of basic services, roads, drainage and wastewater drainage. This is definitely inadequate in relation to the growth of slums; and there hasn't been a structured way of dealing with the emerging challenges posed by the slum phenomenon. The few initiatives by slum residents, Non-Governmental Organizations and Government entities remain isolated and lack proper coordination.

The Lesotho National Slum Upgrading and Prevention Strategy (LNSUPS) proposes several actions that contribute to slum upgrading including policy review relating to land tenure regularization, housing, urban infrastructure, urban poverty, participation, financing, cost recovery and slum prevention. The strategy also incorporates practical activities aimed at managing the upgrading process which are inter –alia; adoption of incremental construction approaches, flexible space design to adopt to different use requirements, the use of locally available materials and the adoption of renewable energy solutions. To ensure operationalization, LNSUP has been translated into action plan whose implementation will be piloted in the Maseru City Council. These neighborhoods will be fully integrated into the spatial aspects of the Maseru2050 completion process through local participation and “co-creation” of their 15-minute neighborhoods and neighborhood hubs. Ultimately this process will create local steering committees that will demonstrate and carry forward the Enabling Environment approaches outlined in the LNSUPS.

### **3. Access to Basic Services**

**Access to drinking water and sanitation.** Progress has also been achieved in improving access to water and sanitation. Access to basic drinking water services now reaches 82% of the population, supported by major investments such as the Lowlands Rural Water Supply and Sanitation Project and the Greater Maseru Water Supply Project. These initiatives have strengthened urban water delivery systems and expanded coverage to underserved communities. However, sanitation coverage remains low at 46%, highlighting the need for substantial investment in sanitation infrastructure.

**Solid Waste Management.** Improved integrated solid waste management in Lesotho requires a coordinated, multi-sectoral approach that combines institutional strengthening, private sector engagement, and public participation. In ensuring cleanliness in the city, partnerships between local authorities and private operators were advanced through the Maseru City Council's (MCC) ongoing engagement with lease contractors, street vendors, and temporary labourers to support street cleaning and refuse collection services. Furthermore, to curb illegal waste dumping, security personnel were deployed at identified waste dumping hotspots, and offenders were fined in accordance with the Environment Act of 2008 and the Public Health Order of 1970. The scale of plastic pollution comprises an estimated 69 per cent of aquatic waste in Lesotho's rivers; and this condition urgently requires management of plastic pollution in freshwater ecosystems. Another achievement is the adoption of environment (Plastic levy) regulations of 2022 which marks a major policy milestone by introducing disincentives for plastic use, which aims to reduce plastic waste and encourage the adoption of reusable alternatives. The revenue collected from plastic levy is channeled towards environment and management programmes.

Urban pilot initiatives in high waste generating areas begun to institutionalize waste separation and recycling, supported by increased public awareness through national campaigns such as Plastic-Free Wednesday, Cleanest Town Competition, and Operation Hloekisa Lesotho. In addition, waste reclaimers at the Tšosane Dumpsite and community members responsible for waste collection in MCC wards received training in safe waste handling practices. MCC is also implementing a UNIDO-funded project for the construction of three buy-back centres, which will provide designated points for the sale of recyclable materials, promote community participation, and reduce the volume of waste disposed at landfill sites. Despite these efforts, solid waste management continues to face significant challenges, primarily due to inadequate resources that will ensure country-wide coverage on waste management initiatives.

**Internet.** Lesotho has made notable progress in expanding internet connectivity particularly through mobile broadband, which has become the primary driver of digital inclusion. Fixed broadband subscriptions per 100 inhabitants more than tripled from 0.098 in 2015 to 0.384 in 2023, with the strongest growth occurring between 2017 and 2021. However, progress has stagnated since 2022 and remains well below regional and global benchmarks due to affordability constraints, limited rural coverage, and infrastructure gaps. On the other hand, the proportion of individuals using the Internet rose from 25% in 2015 to 48% in 2023, with rapid early growth driven by mobile network expansion and more gradual increases thereafter. While these trends demonstrate meaningful advances in ICT access, they also highlight Lesotho's continued reliance on mobile connectivity and the need for strengthened international cooperation, increased investment in fixed broadband infrastructure, and targeted support to underserved areas to fully leverage technology for science, innovation, and sustainable development.

**Public transport.** Lesotho has continued to strengthen physical, institutional, and digital connectivity as part of its broader ambition to deepen regional integration and enhance economic linkages. Efforts to improve transport infrastructure have focused on upgrading strategic road networks, improving border post facilities, and modernizing key trade corridors to facilitate the efficient movement of goods and people between rural and urban centers. These investments have improved connectivity between rural production centres, domestic markets, and neighbouring countries, reduced travel times on selected routes, and enhanced access for communities reliant on cross-border trade and social interaction. However, progress remains uneven, particularly in remote and mountainous areas where rugged terrain, high infrastructure costs, and fiscal constraints limit rapid network expansion, underscoring the need for increased concessional financing, public–private partnerships, and targeted technical support, especially for roads linking high-potential agricultural areas and tourism sites to domestic and regional markets.

The country is also implementing the National Transport Master Plan (NTMP), aligned with NSDP II, which has prioritised the expansion of the paved road network, maintenance of urban roads, and upgrading of critical infrastructure such as bridges, resulting in roads upgraded to paved standard. These efforts are complemented by the refurbishment of the Moshoeshoe I International Airport passenger terminal to improve service and trade efficiency. Additionally, the Road Safety Strategic Plan 2030 is being implemented alongside the Road Accident Data Management System (RADMS for strengthened institutional reforms and improved regulatory compliance enforcement.

## II.B. Sustainable and Inclusive Urban Prosperity and Opportunities for All

*This section highlights the crucial links between national and urban economy, prosperity, economic development and sustainable urban design and Enabling Environment.*

### 1. Inclusive urban economy

Progress has been made on reducing inequality, in achieving productive employment for all, and including youth employment. The data below show commitments to growing this progress by Government of Lesotho policies and programs.

**GINI Coefficient** was 0.448 in 2022/23 to the projected 0.4 by 2027/28. The target aligns robustly with the goal of "inclusive growth." A reduction of nearly 0.05 points in the coefficient represents a substantial and ambitious commitment to reducing income inequality. Achieving this would imply that the benefits of economic growth are being shared more broadly across the population. While policies such as progressive taxation on personal income tax (0-30%) are already in place, this target suggests a strategic focus on policies such as targeted social transfers or maybe even other measures to boost the income share of the bottom percentiles.

**Unemployment Rate** was recorded at 22.2% in 2022/23 to the projection of 21.4% in 2027/28. A 0.8 percentage point (pp) reduction, while modest, aligns with the overarching goal of job creation. It signals an expectation that the economy will generate enough new jobs to not only absorb new entrants but also to reduce the existing backlog of unemployment.

**Youth Unemployment** was 29.1% in 2022/23 to the projected 28.5% by 2027/28. A 0.6 percent reduction suggests that the strategy for job creation is intended to benefit the critical youth demographic directly.

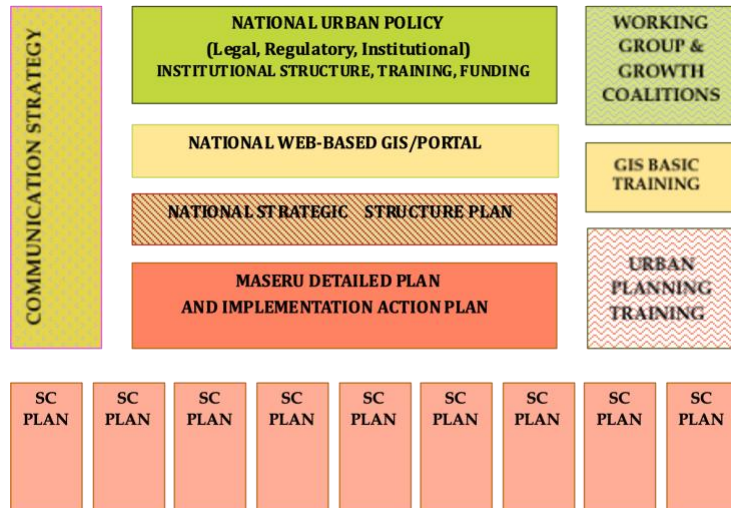
**Labor Force Participation Rate** was recorded at 49.9% in 2019/20 with a projection of 53.68% in 2027/28. This target to draw more people into the labor force is positive. The combination of a rising participation rate alongside falling unemployment rates (both youth and overall) presents a robust and encouraging picture of a labour market that is expanding and absorbing workers productively.

**Technical and Vocational Education Training (TVET)** has a range of programmes from the more technical skills dominated by male students and handicrafts dominated by females. The TVET is characterized by low enrolments, which suggest that it is not a popular choice for young people seeking careers. It can be noted that males enter TVET institutions at an older age than females. Anecdotal evidence suggests that many male students join TVET institutions after dropping out of formal schools. However, the numbers are relatively modest and the low quality of TVET is possibly the reason for its lack of popularity among young people.

## 2. Urban productivity and prosperity

The relationship between urban development and prosperity and diversification of the urban economy is a fundamental aspect of urban policy work that has been completed in Lesotho since 2015. For example, [The Lesotho Urban Agenda Support Program report](#) was based on the World Bank seminal study [Competitive Cities for Jobs and Growth](#) (2015) and [its video](#) were widely shared with Lesotho top government officials. Flowing from this, the design of the Maseru2050 urban planning project was also premised on urban spatiality that would leverage and activate economic development ...including urban mixed-use hubs and 15-minute neighborhoods that would centralize work and daily social needs (such as childcare, health care, and training opportunities); reduce travel time required to undertake daily activities (time is money); and expose residents and workers to more potential innovation opportunities. Moreover, the National Spatial Development Framework is also founded on the principle that Lesotho's economic development will be stimulated if regional and national interlinkages and well-planned connections are maximized both internally and externally. In sum, LUASP and other Lesotho urban planning processes understand that...if designed properly...cities can be the drivers of national economic development and prosperity. Moreover, the design of urban and rural linkages that simplify their interconnectivity and promote economic integration is also central to the urban planning in both these major projects.

1. LUASP. Lesotho Urban Agenda Support Program Components



**Job Growth and Employment Generating Policies.** Lesotho has shown great progress in developing robust policies, legal frameworks and facilitating implementation of strategic projects and programmes in order to stimulate a transition progress towards achieving the industrialized, competitive and innovative economic market targets. In an effort to diversify and improve the domestic production market and productivity and to promote a platform for robust economic activities that are well regulated and managed for sustainable economic progress, Lesotho has developed a Special Economic Zones Policy 2025-2029 which was approved with work in progress to finalise development of the Special Economic Zones Bill. The Government continued with the mission to develop the Competition Bill, the Lesotho Consumer Protection Bill, the Trade and Tariff Administration whereby work on the development of Companies (Beneficial Ownership)

Regulations is at an advanced stage waiting for approval. Work has also been conducted to amend some of the existing frameworks to align them with the current market needs, such as the LNDC act and BEDCO act.

In addition to engaged initiatives, the Government has developed the Lesotho National Single Window for Trade Facilitation, and also mapped Other Government Agencies (OGAs) and (AS-IS) processes, with testing completed for operation. The ministry continued with development of ASYCUDA along with procurement of ICT equipment for 10 OGAs and servers for data hosting at MICST to roll out the Single Window Trade Facilitation.

**Support of small- and medium-sized enterprises.** National Financial Inclusion Strategy (NFIS) 2024-2028 is one of the national strategic frameworks in place that aims to continue efforts to advance financial inclusion through the development of targeted products and services for MSMEs. The Ministry also facilitated the initiative on business capacity building whereby 10 MSMEs were assisted with partial credit guarantees with a total financial support of M11,870,780.09 through Post Bank, and 20 enterprises were assisted for the year 2024-2025.

To promote effective and efficient functionality, LNDC Partial Credit Guarantee scheme and the Partial Credit Guarantee Facility scheme were reviewed, whereby a roadmap has been prepared to operationalize the recommendations of the reviews including the decision by MTIBD to merge the two facilities.

**Developing technical and entrepreneurial skills to thrive in a modern urban economy.** The Ministry of Finance and Development Planning has embarked on implementing strategic interventions for inclusive national entrepreneurship development objectives. The support was given to 134 companies whereby 74 got direct support from the programme while 60 companies got support through associations with grant benefits from LEAP. Among the selected quota for this initiative, 78 were women, and 26 youth led enterprises while 16 were among those adopting new digital technologies into their operations, and through this intervention 2,400 jobs were created.

## II.C. Environmentally sustainable and resilient urban development

*This section highlights the centrality of this topic to sustainable urban development planning and management currently in progress/under preparation. It points out that resilience management tools must be better integrated into urban development control (through mapping, digitization tools, public regulatory sensitization, and other procedural regulation), because they are not being utilized to their full potential.*

### 1. Resilient and adaptive urban development

The Disaster Management Authority aims to reduce urban vulnerability through implementation of an Urban Preparedness project, through the support of ECHO and WFP. It is aimed at enhancing community resilience, improving institutional coordination, and promoting inclusive, sustainable urban development. The project was piloted in 5 urban councils of Botha-Bothe, Hlotse, Maputsoe, Teyateyaneng, Mafeteng and the Maseru City Council, to set a model for all urban settlements of Lesotho, in alignment with the Sendai framework core priorities. The project started with context analysis followed by risk analysis of eminent hazards including climatic, ranking and mapping, as well as plotting of hotspot areas and mapping using drone technology. In collaboration with the communities within the pilot areas, essential needs analysis (ENA) was undertaken and Minimum Expenditure baskets (MEB) per area, developed. This exercise provided urban specific indicators which contribute to urban vulnerability. Furthermore, a Flood modelling was undertaken with technical support of CIMA Foundation in Matukeng, Hlotse, to understand the drivers behind flooding.

In an effort to strengthen disaster risk governance to manage disaster risk, the country has developed Standard Operating Procedures for a) Coordination, b) Vulnerability Framework and Targeting, c) Urban Response via cash and voucher assistance.

The Disaster Management Authority invested in Risk Financing for disaster risk transfer, by taking an insurance with African Risk Capacity Group. The insurance covers drought hazard throughout the country, but with application of indicators which talk directly to effects of drought per area (urban or rural).

To enhance disaster preparedness for effective response, and to "Build Back Better" in recovery, rehabilitation and reconstruction, the country has taken an initiative in anticipatory action planning and implementation, to reduce the cost implications of response. An urban specific pilot plan has been developed, national registration of households into the National Information System for Social Assistance (NISSA) has been piloted in Hlotse Urban Council, to enhance social registry with indicators essential for informing disaster preparedness and response. The Disaster Management Authority has also assisted with establishment of Urban Structures for disaster

preparedness and response in all 5 urban councils and Maseru City Council, and development of a response plan in one Urban Council. The purpose is to duplicate all the efforts in all urban settlements in the country. In order for the country to measure its response capability, simulation exercises are being undertaken for urban stakeholders.

**Building urban resilience through quality infrastructure and spatial planning.** Maseru2050 urban plan was initiated in 2019 by the Ministry of Trade and Industry, funded by World Bank Private Sector Competitiveness and Economic Diversification (PSCED, now CAFI). It was undertaken by a large international consultancy (COWI), but unfortunately, the project was terminated half completed in 2021 due to the Covid-19 pandemic. However, considerable work was completed based on key principles of resilient and climate responsive urban planning, including the Maseru Green System Concept Plan, which laid out the overarching structure of Maseru2050 based on mapping and protection of hazard zones, planning for a centralized walkable downtown, preparation of a Geodatabase, and extensive economic/financial strategy for urban implementation. During 2025, Maseru2050 was reinvigorated, and project preparation and stakeholder engagement was conducted to prepare grant proposals and TORs for projected Maseru2050 project completion in 2026.

**The Lesotho National Spatial Development Framework** is also underway to be completed in 2026. The framework is envisioned as a comprehensive strategic framework that will offer guidance for managing land resources effectively, thereby supporting economic growth, social equity and environmental sustainability.

## **2. Climate change mitigation**

**Climate Reporting.** Lesotho is preparing its combined Fourth National Communication and First Biennial Transparency Report (NC4/BTR1), supported by the GEF and UNEP to update the GHG inventory and report the progress achieved in implementing the NDC, alongside the CBIT project that strengthens national transparency systems for tracking mitigation and adaptation actions. The country is also finalizing its National Adaptation Plan (NAP) to advance medium- and long-term adaptation planning supporting urban resilience and service delivery.

**Lesotho's urban climate mitigation agenda** is framed within its broader national commitment to reduce greenhouse gas emissions as outlined in its Nationally Determined Contributions (NDCs) to the Paris Agreement. The country has pledged to curb national GHG emissions by 6% unconditionally (419 ktCO<sub>2</sub>e) and 24% conditionally (1,689 ktCO<sub>2</sub>e) below a 2030 Business As Usual (BAU) of 7.2 MtCO<sub>2</sub>e through actions across the energy, waste, and land-use sectors, many of which are directly relevant to urban development.

**The energy sector leads emissions** at 50.5%, followed by agriculture, forestry, and land use (AFOLU) at 42.7%, waste at 6.5%, and minimal industrial emissions from the latest GHG Inventory in the third National Communication (TNC) submitted to the UNFCCC in 2021. The residential sub-sector under the energy sector has the largest contribution as demonstrated by the figure below. The NDC highlights Lesotho’s aim to reduce emissions by promoting renewable energy technologies, especially solar and hydropower, which are crucial for powering cities and reducing dependence on high-emission fuels.

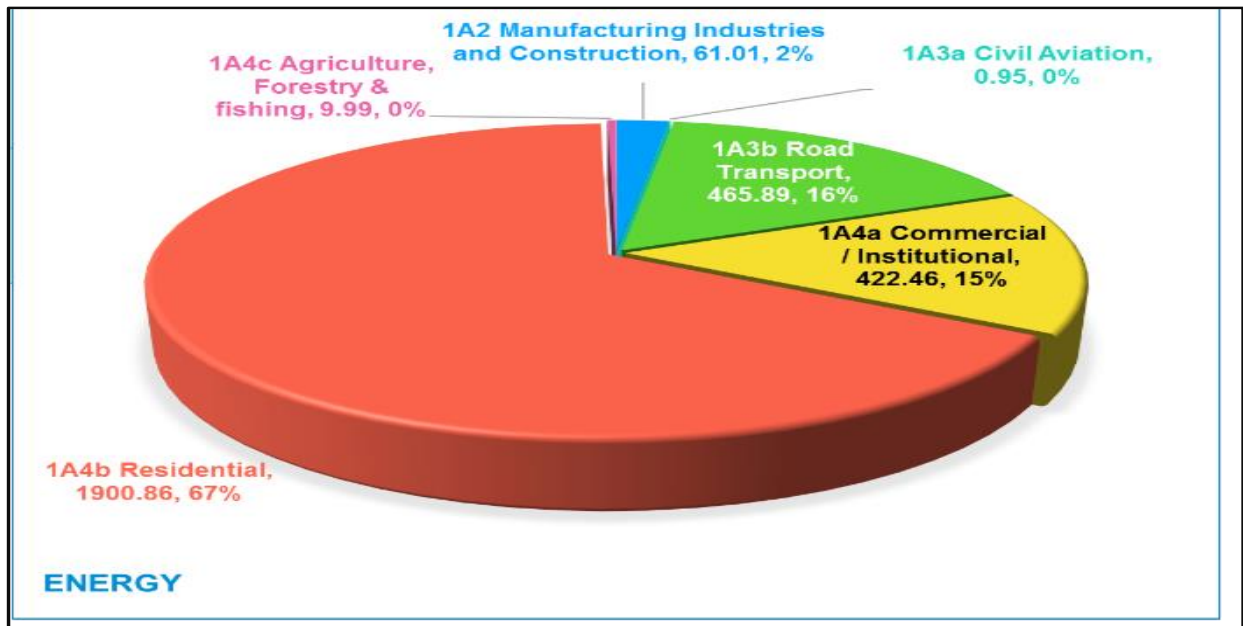


Figure 2: Sub-sectors GHG contributions to the Energy sector

**Urban areas are also central to the nation’s mitigation strategy through improvements in solid waste management systems.** Lesotho is advancing initiatives to reduce landfill emissions, increase recycling, and establish environmentally sound waste-handling procedures that reduce pollution in urban environments while contributing to overall GHG reductions. One the conditional measure in the second NDC is to generate up to 20 MWh of electrical power from landfill gas extraction, collection and utilization applied to sanitary landfills, resulting in reduced methane (CH4) emitted to the atmosphere from landfill sites and avoided CO2 from the displacement of fossil-based electricity use.... and have in place one (1) plant processing 1,171 tons of waste per day by 2030 with GHG reduction 728 kt CO2eq/year in 2030.

**Sustainable urban design can cut GHG emissions** by compact mixed use spatial design that reduces transport networks and focusses on non-motorized transport (NMT) including walking and cycling. Among the mitigation actions being employed and planned are modal shift from

private to passenger transport which sits at around 10% at present to 30% in 2030. This will significantly reduce GHG emissions, improve the fuel efficiency of road vehicles, and have at least 21,838 efficient vehicles by 2030 resulting in GHG reduction of 9 kt CO<sub>2</sub>eq/year in 2030, and create secure and attractive urban cycling of 15 km by 2030 which will reduce 10 kt CO<sub>2</sub>eq/year of GHGs in 2030.

**Carbon emissions will be reduced, and resilience enhanced, by adherence to the basic principles of the Maseru2050 plan and the National Spatial Development Framework.** These are based on sustainable urbanist principles found in the New Urban Agenda, and aim to cut carbon emission at every scale of planning. Moreover, building construction regulations will emphasize green architecture and green infrastructure which will further alleviate emissions by reducing need for energy consuming air conditioning and heating and heat island effects in urban areas.

**Promoting renewable energy and adopting a smart-city approach that leverages digitization, clean energy and technologies, among others.** In addition to energy efficiency, waste management, and sustainable transit oriented urban design, the country is exploring smart-city approaches that harness digital innovation to maximize resilience mapping, optimize energy use, reduce traffic congestion, and modernize urban service delivery. The embrace of digitization aligns with the NUA's call for cities to adopt forward-looking technologies that lower emissions and improve urban sustainability. For example, the Maseru2050 Plan calls for detailed climate modelling of hazard risk zones that will drive the layout of the plan, and it will be fully digitized and posted on a public facing webserver to maximize and control sustainable development. However, successful application of these types of smart cities solutions requires a "whole of government" acceptance of their benefits and commitment to centralize and integrate the underlying spatial (GIS) and management information systems (MIS) needed to operationalize them. A full assessment of Lesotho's digitalization strategies is required to create the "Smart City" solutions to integrate and maximize their potential.

### **3. Biodiversity and ecosystem conservation**

*Enhance biodiversity and ecosystem conservation, including progress on resource conservation, implementing environmentally sound management of water resources, strengthening the sustainable management of natural resources in urban areas minimizing urban sprawl and loss of biodiversity*

**Protected Areas.** Lesotho's achievement on this indicator has increased, largely driven by the government's efforts to expand protected areas. Official statistics indicate that the area under protection has not changed since SDGs Baseline Survey in 2016. Data from the BoS (2019) suggests that the total area under formal protection is only 13817.5 hectares which is merely

0.48% of the country's surface area. In addition to these designated protected areas, several areas such as Letseng La-Letsie Nature Reserve and Tsetse are either informally designated or proposed for protection in various parts of the country. There has not been encroachment on the area covered under protected areas by other land-use activities. The government has already identified and informally designated new areas to expand protected areas.

**Using cultural and heritage sites as protected areas conserving biodiversity.** The number and area under important sites for freshwater biodiversity under protection has not changed, but the country has made progress regarding expansions of these areas through identification and proposals to include new areas. The Ministry of Water through an integrated approach is leading the process of declaration of wetlands as protected areas. The integrated approach would involve stakeholder mapping, meeting with relevant stakeholders, wetlands identification, local authorities and community awareness and mobilisation; site visits and ensure concurrence from relevant Ministries. Projects such as ReNOKA also seek to support collective action to protect and restore land and water for the shared prosperity of the communities living and working within the Orange-Senqu River Basin. The project also seeks to reverse the increasing degradation of Lesotho's wetlands which is a threat to the Orange-Senqu River. The main challenges in the country's efforts to conserve and protect wetlands include inadequate planning systems and instruments, imbalance in the distribution of costs and benefits of wetland conservation, policy conflicts and institutional weakness. High mountain wetlands continue to degrade due to uncontrolled livestock grazing and trampling infrastructure development, siltation and erosion, encroachment by cultivation and overexploitation of resources hence their need for their declaration as protected areas to conserve and protect them.

**Lesotho and Maseru urban planning (National Spatial Development Framework and Maseru2050) are founded on enhancement of biodiversity and ecosystems management.** Both of these plans are founded on the mapping of sensitive ecosystems and reservation of these zones from development. Once they are digitally identified, they will be mapped on publicly available webservers, and regulatory mechanisms will prevent urban development in these zones. Construction permitting will be integrated with these reserves and stakeholders will be capacitated on the regulatory framework. As already shown in the Maseru Green Network Conceptual Master Plan, they will be integrated to form a cross city network that supports expansion and restoration of ecological resources and can only be developed with ecosystem friendly uses such as bike trails, sports and recreation facilities, and parks.

### III. Effective Implementation

*This section outlines progress made on the enabling policy frameworks that are available or needed, and demonstrates how these frameworks have enabled (or would potentially enable) progress in achieving the transformative commitment to sustainable urbanism outlined in the New Urban Agenda.*

#### 1. Alignment to international commitments

Lesotho adopted international commitments, including Agenda 2030 and the Sustainable Development Goals, the New Urban Agenda, the Paris Climate Agreement, the Sendai Framework, and regional agendas, chief among them Agenda 2063, and then developed national policies after recognizing that it was urbanizing like the rest of the world.

To ensure operationalization of the Sendai Framework (2015–2030), a National Disaster Risk Reduction (DRR) Strategy was developed. Furthermore, as a means to execute the Paris Climate Agreement, the Nationally Determined Contributions were developed which prioritize climate adaptation and mitigation actions that interconnect with other SDGs, including targets on energy, infrastructure and resilience.

Integration of SDG 11 and other urban related SDG's and commitments, along with the New Urban Agenda, are reflected through Enabling Infrastructure Development priorities in the Extended National Strategic Development Plan (NSDP) II and other relevant policies, as to be operationalized in the National Strategic Structure Plan and in the Maseru2050 urban planning process.

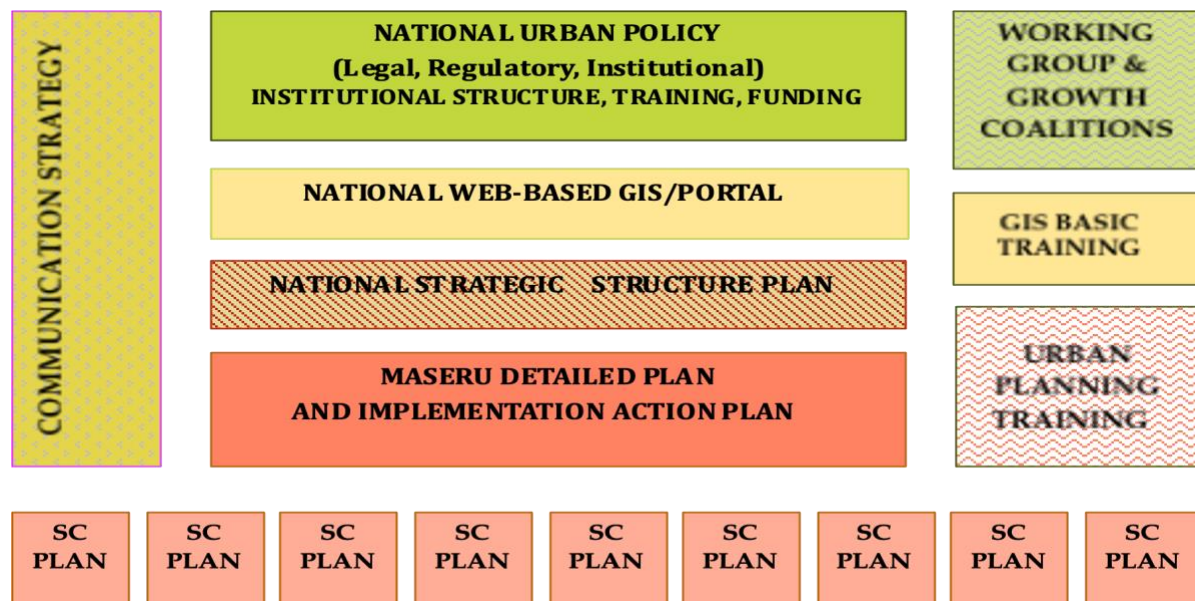
#### 2. Building the Urban Governance Structure/Establishing a Supportive Framework: Articulation of the Lesotho Urban Agenda since 2015.

**Lesotho's national urban agenda** was first pronounced in the Habitat III National Report produced in preparation for the Third UN Conference on Housing and Sustainable Urban Development, (prepared simultaneously with the Maseru Urban Planning Readiness Study (2015)). The report highlighted key trends, opportunities and challenges in the urban sector and identified the country's priorities to be addressed by the New Urban Agenda.

**The Maseru Urban Planning Readiness Study (2015)** was supported by the World Bank PSCED program. It highlighted that while the national development policy, including the National Strategic Development Plan (NSDP) 2012/13 – 2016/17, provided a solid basis for sustainable urban development, a comprehensive institutional framework for urbanization implementation and management was severely absent or constrained on national and local levels. Key gaps included: lack of a national urban policy, numerous institutional, regulatory and procedural gaps,

lack of integrated GIS, harmonization in existing policies, and silo'd land and urban related procedures. Importantly, it highlighted lack of coordination and cooperation by urban agencies.

In 2016, the World Bank PSCED program supported the preparation of [The Lesotho Urban Agenda Support Program report](#). The LUASP laid out a comprehensive program for integrated sustainable urban development based on the NUA at the national and urban levels. As shown in the graphic below, it included multiple components, all of which have project tasks/TORs and schedules designed. It has provided a fundamental basis for urban planning in Lesotho since then, and the TORs can continue to be applied to the preparation of the elements which have not yet been completed, such as the National Urban Policy.



After Lesotho's adoption of the New Urban Agenda, (with the support from the United Nations Economic Commission for Africa...UNECA), the Government of Lesotho embarked on a project to assess (i) the country's national and local capacity to implement the New Urban Agenda and (ii) the support needed by the country in ensuring that all urban policies and priorities envisioned in Lesotho's NSDP contribute to the country's economic development and poverty reduction efforts. The report included Policies to leverage urbanization for development in Lesotho. Its policy and secondary data review revealed that Lesotho's Second National Strategic Development Plan 2018/19-2022/23 (NSDP II; GoL, 2018) has urban implications, but explicit consideration of urbanization is equivocal (which was also noted in the 2015 Readiness Study).

The initiative produced a cross section action plan of implementing the New Urban Agenda prioritizing; (i) creation of urban jobs, (ii) creating a conducive urban environment to attract

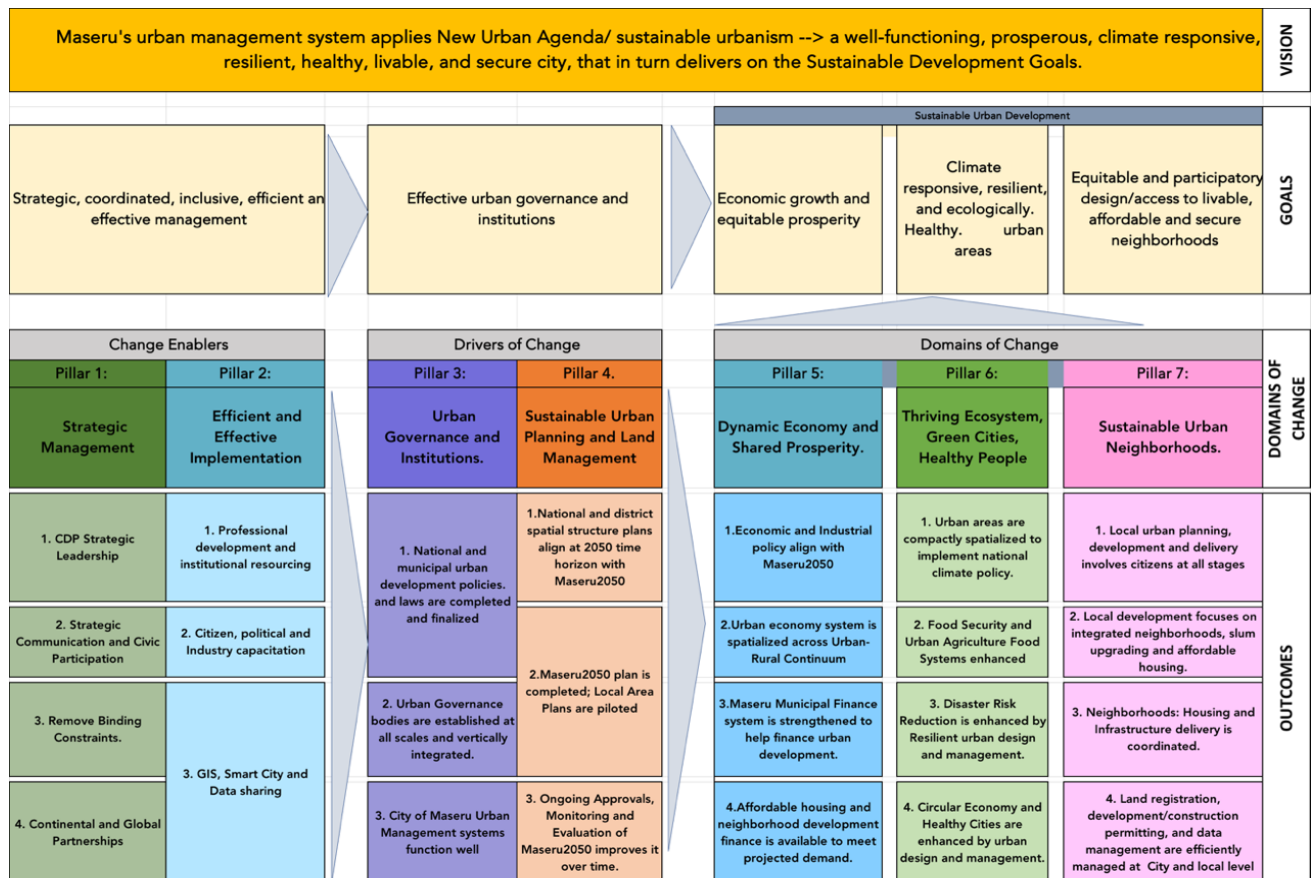
investment, (iii) development of an integrated Spatial Planning System, (iv) development of a well-coordinated and accounted national urban development programme and (v) promoting an effective city council and urban council financial resources.

### 3. Planning and managing urban spatial development

Until 2015, urban planning and management was hindered due to lack of many Enabling Environment factors as outlined above. Critical among them was the lack of a detailed and digitized master planning tool. There was a solid conceptual master plan, the Maseru Urban Planning and Transport Study, conducted in 2010, but it was vague and without the teeth and tools needed to implement it. Therefore, it never gained much traction.

During the period between 2017-2019, project preparation and consultant procurement for Maseru2050 (a detailed and digitized master plan) was undertaken, and a large team of international consultants (COWI) completed significant work before the project was terminated half completed in 2020 due to Covid-19. The vision for Maseru2050 is firmly grounded in NUA and SDGs as shown in the Vision and Goals Statements in the Maseru2050 City Development Strategy Framework graphic below.

COWI's delivery package (2021) included all baseline reports along with a Handover report including geodatabase, Green System Conceptual Master Plan; Kingsway/Market Local Area Plan; Institutional



Structure for Urban Planning and Development in Maseru; and Public Financial Management recommendations. These materials will form a valuable foundation for completion of Maseru2050, which is anticipated in 2026 with donor funding. These materials are available at the Maseru City Council; should be carefully incorporated into any urban policy and planning moving forward.

**Also in 2025, the overarching National Spatial Development Framework was initiated.** It will address national spatial structures and district planning. The government would like to undertake the National Urban Policy in 2026, with tangential activities in communications, coalition building, stakeholder engagement and GIS technology policy/training/development. These will be closely aligned with all relevant urban sustainability activities being undertaken by other actors including: Local Economic and Social Development; Disaster Risk Management; Climate Policy/Action etc.

#### **4. Mobilization of Financial Resources, Capacity Development, Technology and Innovation**

*This section outlines the state of the Enabling Environment for sustainable urban development, which is the most severe hindrance for NUA implementation.*

**Finance.** The attraction of finance for urban development has not been significant to date, with global infrastructure finance focusing on regional water resource development that delivers water outside the country. The mobilization of finance for urban development will depend on the institutional reform and de-risking that strengthens urban management institutions and systems within relevant agencies (especially municipal and district governments), integrating across both vertical and horizontal strata, as well as across sectors.

There are at least three key constraints that limit finance for urban development. At the national level, green banking, housing and resilience finance will depend on a stable and solid fiscal management that will convince and attract global finance from donors and the private sector. On a positive note, Lesotho plans to develop its green banking system in 2026 with donor support. A second significant limiting factor for urban development in Lesotho's towns is the conflicting power struggles between secondary town and districts, resulting in weak financial allocations to localities for decentralization. A third key inhibiting factor for Maseru and Lesotho's larger settlements is its weak municipal finance and taxation system, which requires major policy, regulatory and systems reform to mobilize urban finance through mechanisms such as value capture of vertical development and cooperative investment. Analysis and recommendations that were submitted by COWI consultants for Maseru2050 report (2021) outline multiple steps to rectify the system; and these should be reviewed and implemented.

**GIS and Technology.** A centralized and integrated GIS system is also a mandatory tool for the successful planning and implementation of sustainable urban plans in Lesotho. There are many

talented and well-trained professionals in this domain, but there is very little in the way of software and hardware needed to undertake efficient urban management. Moreover, several agencies have GIS layers that address their ministerial issues; however, these are not shared across agencies. Serious attention must be paid to the building up of centralized capacity in GIS and spatial data management to capacitate all aspects of the Lesotho Urban Agenda.

**Capacity Building.** This topic includes many factors including knowledge and professional development, technology systems, institutions, finance and other tools to build the Lesotho urban agenda. However, one of the most critical gaps and opportunities is the construction of common knowledge through institutional systems that bring together all Basotho to “pull together” for the common agenda of sustainable urbanism. Initial steps have been undertaken to coalesce common knowledge and communities of practice across all urban related sectors. For example, project Steering Committees and incipient sector working groups have been established but these are mostly ad-hoc entities that disband and lose institutional knowledge when a project is completed. The Ministry of Finance and Development has established a PSIC committee that aims to coordinate grant and major project activities, and this is a good start in cross agency coordination, but this agenda must be strengthened and coordinated for planning, programs and budgeting not just projects. All sectors of the public/private/civil society must be harnessed together to collaborate on the sustainable vision and mission of Lesotho’s urban agenda. The most successful countries have established serious and regular Urban Sector Working Groups and business processes that integrate all relevant public, private and NGO entities to consistently meet and build capacity; constantly integrate their activities across vectors; and regularly update their members on all new innovations. This “social capital” would be the critical glue that will elevate Lesotho’s capacity to achieve its urban agenda.

## IV. Review, Assessment and Strategic Ways Forward

### 1. Achievements

*Across the relevant indicators, there has been progress and achievements.*

**Social and Economic Indicators.** The proportion of Basotho who are classified as poor decreased by about seven percentage points, from 56.6 per cent in 2002 to 49.7 per cent in 2017. In absolute terms, this translates to 994,000 people living below the poverty line, meaning one million Basotho do not live at a basic level of consumption sufficient to survive, and half a million live at an extreme level of vulnerability

Access to education has improved significantly at the pre-primary and primary levels. There are pockets of reception with classes at selected primary schools though enrolment of ECCD in rural areas remains low. Secondary education has shown the least progress, with NER for boys and girls low but much more adverse in the case of boys. The Technical and Vocational Education Training is characterized by low enrolments, which suggest that it is not a popular choice for young people seeking careers.

There has been notable progress on enacting laws and developing policies on equality and non-discrimination of women and girls. There are indications of an increase in cases of GBV since the beginning of the mandated lockdown due to COVID-19. While women's representation in parliament has been generally low, their representation in decision-making bodies has increased and even overtaken that of men in the civil service.

**Access to physical infrastructure and environmental protection.** Progress has also been achieved in improving accesses to water and sanitation. Access to basic drinking water services now reaches 82% of the population, supported by major investments such as the Lowlands Rural Water Supply and Sanitation Project and the Greater Maseru Water Supply Project

Environmental regeneration and protection is an important objective in Lesotho and it has benefited from multiple global partnerships and professional development. However, land degradation is still a significant concern with more than 66 per cent of the households living on degraded land, and the country loses 2 per cent of its topsoil annually due to soil erosion. While the area under formal protection has not changed since 2016, several areas are either informally designated or proposed for protection in various parts of the country.

**Policy, Regulatory, Institutional Framework (Enabling Environment)** . Lesotho has shown great progress in developing robust policies, legal frameworks and facilitating implementation of

strategic projects and programs in order to promote sustainable urban development for social inclusion, urban prosperity and environmental prosperity.

Visioning of the Lesotho National Urban Policy is advancing, focusing on sustainable urbanization, poverty reduction and improved housing driven by rural –urban migration with key efforts involving the New Urban Agenda.

The country is now developing the National Strategic Development Framework envisioned as a comprehensive strategic framework that will offer guidance for managing land resources effectively, thereby supporting economic growth, social equity and environmental sustainability.

The Maseru2050 urban plan was half completed in 2019-21 and is on track to be completed in 2026. This will provide major resilience, economic and social development opportunities for the capital of Lesotho; and will provide a demonstration model for the secondary town planning.

Government has made good progress in formulating housing and urban profiles and policies as well as forging partnership through the Lesotho Housing and Land Development Cooperation with the private sector to delivery affordable housing and projects.

In regard to land tenure security, in 2023 alone, there was a total of 1,917 leases registered and a total of 100,809 registered properties since 1981. The Land Survey and Physical Planning is capacitated to fast-track issuance of legal land ownership document (Lease) in the process of ensuring allocation of land, for appropriate Land uses/zoning within settlements.

## 2. Challenges

*However, Lesotho faces significant limitations to its achievement of its sustainable urban agenda.*

There is a lack of absorptive capacity that affects the speed of implementation of projects to achieve the New Urban Agenda.

**Limitations in the Institutional Enabling Environment.** The consultations during the review process revealed a general lack of awareness about the New Urban Agenda, both among the urbanism-related professional class and its constituencies across the nation. There is lack of coordination between New Urban Agenda, SDGs, Climate agencies and others around this topic. There is therefore an urgent need to expand the current awareness creation efforts across all sectors through standardized Working Group comprised of all relevant entities; with regularly scheduled meetings (at least quarterly) and solid integrated procedures. to build common knowledge and capacity. Operational business process must be solidified, linking urban plans

with implementation tools. One example of this is the Maseru City Development Strategy, currently under development, which will link the physical plan with strategy and budgeting.

**The professional capacity** of the agencies in charge of urbanism and settlement (including but not limited to Maseru City Council and the Ministry of Local Government, Chieftainship, Home Affairs and Police which is responsible for settlement and urban development) needs to be strengthened in order to effectively coordinate the implementation of the New Urban Agenda across the country. There are many well educated professionals in relevant positions, but they do not share a common professional development and perspective. They should be supported to attend well structured trainings at the World Urban Forum and other events that will bring them into common understanding of the objectives of the New Urban Agenda and the Lesotho Urban Agenda. Both the National Spatial Development Framework process and the Maseru2050 process can bolster this process and should be used as professional capacitation tools.

**Chief among the challenges is data collection and management** within the urban sector which are critical for tools for developing policy, Enabling Environment, programs and plans. Lesotho faces significant limitations in data collection and analysis within the urban sector. Where efforts are made, they are uncoordinated and often go unnoticed. Limitations in data capabilities and lack up-to-date data on poverty, including lack of necessary disaggregation to account gender, geographic, economic and other social dichotomies as well as the multi-dimensional poverty analyses. This limitation hinders the development of effective urban policies, plans, programs, analysis, and strategies that can sustainably manage the urban population and infrastructure. Lack of data and data collection systems further negatively influences Lesotho's ability to monitor the progress and implementation of the New Urban Agenda and ensure alignment with SDG 11 reporting. All data (including spatial GIS data) should be shared and centralized in a geodatabase portal and library (sometimes called an Urban Observatory).

**Finance.** Without finance, the Lesotho Urban Agenda will not be implemented. Lesotho's financial management systems need to be strengthened in order to inspire the confidence that will mobilize global, regional and national investment capital. Its fiscal spending is unsustainable and threatens the country's debt sustainability and the government's ability to spend on infrastructure projects geared toward attaining the SDG 11 and the New Urban Agenda. Municipal Finance relative to urban development is extremely weak and needs to be bolstered (as noted above). The management of national, district and municipal budgets must be integrated vertically to de-risk and simplify the flow of funding to sustainable urban development.

### 3. Strategic Way Forward

**This reporting has initiated an important process for building capacity and tools to implement Lesotho's compliance with the New Urban Agenda.** It has done this by highlighting both the urban related achievements and the simultaneous lack of institutional, operational and monitoring systems in place to evaluate the progress being made by its urban development and indeed, its urban development.

**A real opportunity exists to harness this awareness by building a centralized but inclusive vehicle to strategically lead preparation of the Enabling Environment for sustainable urban development.** This includes a dedicated professional team of people to oversee Lesotho's urban development, strong integrated data and GIS systems, and the institutions needed to operationalize the process whereby they manage Lesotho's urban development. Preparation of urban development strategies (like the upcoming Maseru2050 City Development Strategy) can be key tools to systematically undertake the construction of the Enabling Environment).

**A need to elevate the urban agenda - as well-done urbanization is a major tool for sustainable development across the country, not just in the cities.** Luckily, the Government of Lesotho does have the political will to further sustainable urban development, from the Prime Minister's office down to the localities. This was clearly witnessed among all stakeholders from Ministers to professionals to local officials in the Maseru2050 completion project preparation during April 2025. In order to overcome disparities, boundaries and both horizontal and vertical silos, coordination must be strengthened. All agencies including Parliament, the private sectors and civil society should be brought in. Leadership from the Prime Minister's office could be instrumental in achieving this objective. All that is needed now is the dedicated construction of the needed Enabling Environment, building the common vision, and harnessing the strength of the Basotho people to pull together towards the urban vision in the same direction.

## 4. References

African Union for Housing Finance (AUHF) Annual Report 2023-2024  
Central Bank of Lesotho Annual Report 2024  
Lesotho 2025 Voluntary National Review  
Lesotho Agenda 2063- Report 2025  
Lesotho Housing Profile 2018  
Lesotho National Housing Policy 2025  
Lesotho Spatial Development Framework- Special Reports 2025  
Lesotho Urban Monitoring Framework 2024  
The Lesotho Biennial Report on Agenda 2063- Second Ten Year Implementation Plan Report 2025 Lesotho  
Maseru City Master Plan (2020) Volumes 1,2,3  
Maseru City Master Plan (2021) Handover Document  
Voluntary National Review on the Implementation of the Sustainable Development Goals Report 2022

