

News from the DLN

The first part in Danish is an invitation to the Annual General Meeting (AGM). It is taking place in Odense 17th April 2010. The next Lumela.dk will bring information in English about the most important decisions taken at the AGM.

Kom til generalforsamling i DLN

Dette års generalforsamling i DLN finder sted i **Odense den 17. april** i Dansk Flygtningehjælps lokaler Klingenberg 17, Odense C. Sæt straks kryds i kalenderen!

Programmet starter kl. 10.00 med en spændende oplægsholder. Generalforsamlingen afholdes med dagsorden i følge vedtægterne og slutter kl. 16.00. Herefter er der plads til hygge og spisning. Indkaldelsen vil i år både blive sendt ud pr. brev og som mail. Årsagen er, at det ikke er alle vore medlemmer, der har en e-mailadresse.



The winter has been the coldest for more than ten years. This is how deep frozen Denmark looks like in the end of February 2010.

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Membership of DLN



News from the Board

By Helga Halck Højsager

It's a nice feeling to write the new Lumela as there is new to report at this time.

We have, from the Project Pool had approved our application for a trip to Lesotho, so that DLN in collaboration with the Development for Peace Education (DPE), may make the final project formulation. On 15th February to 1st March Marie Villumsen and Helga Højsager will go to Lesotho to meet DPE's board, local public officials and especially the target group.

It is our plan that there should be a final application to the Project Pool by 1st April. We will seek support for a two-year project with a total of DKK 500,000. The project will include educational training for civilians in three remote rural areas, training of 2-3 animators and capacity building of DPE. Marie and I expect a lot from the visit and look forward to meeting the people who are involved in the project.

We are a group who are working together on this project. Marie has been the driving/writing force and the rest of the group, Bodil Mathiasen, Grethe Jørgensen, Bodil and I have commented and made inputs. We have met two times all together. Project Counseling has been in over two times. First time in a meeting with Marie and Johannes which took place in Copenhagen. The last meeting was with a Skype connection between the group and Johannes PR, which has worked very well.

As mentioned in the last issue there is work on an application for Tips and Lotto.

Nyt Fra bestyrelsen

Af Helga Højsager

Det er en rar fornemmelse at skrive nyt til Lumela, da der er nyt at berette denne gang.

Vi har fra Projektpuljen fået godkendt vores ansøgning om støtte til en rejse til Lesotho, så DLN i samarbejde med Development for Peace Education (DPE) kan fortage den afsluttende projektformulering. Den 15. februar til 1. marts tager Marie Villumsen og Helga Højsager til Lesotho for at møde DPE's bestyrelse, lokale embedsfolk og ikke mindst målgruppen.

Det er vores plan, at der skal ligge en endelig ansøgning til Projektpuljen den 1. april. Vi vil søge støtte til et toårigt projekt med en samlet sum på 500.000 kr. Projektet vil omfatte oplysende uddannelse af civilbefolkningen i tre afsides beliggende landområder, uddannelse af 2-3 animatorer og kapacitetsopbygning af DPE. Marie og jeg forventer os meget af besøget og glæder os til at møde de folk, som er engageret i projektet.

Vi er en gruppe, som sammen arbejder med dette projekt. Marie har været den drivende/skrivende kraft og resten af gruppen, Bodil Mathiasen, Grethe Jørgensen, Bodil og jeg har kommenteret og kommet med input. Vi har mødtes to gange alle sammen. Projektrådgivningen har været ind over to gange. Første gang i et møde med Marie og Johannes som fandt sted i København. Det sidste møde var med en Skypeforbindelse mellem gruppen og Johannes PR, hvilket har fungeret meget fint.

Som nævnt i sidste nummer arbejdes der på en ansøgning til Tips og Lotto.



Anders Foghsgaard and Claus Løschenkohl have prepared and submitted



an application to the Ministry of Culture's Tips and Lotto funds. The request is DKK 30,000 to support Berea Agricultural Group (BAG) in Leribe, as they want to build some water tanks like those built for RSDA's members. We have also sought money for a notebook that can be used by the Board, as a sort of archive, and to bring on our trips to Lesotho. We anxiously await the outcome of the application.

The group working with the Rural Self-Help Development Association (RSDA) application has received a satisfaction again after two refusals. The group consists of Maria Clausen, Line Kaspersen, Anders and Signe Hedegaard, Karen Steffensen and Max Schröder. Projects will focus on capacity building of 54 farmer associations in order that they strengthen their organization, their ability to cooperate and network with both local and national decision makers. Through advocacy and leadership training these groups would enhance their ability to influence own living conditions.

The project is scheduled for two years with an economic framework within DKK 1 to 1.35 million, targeting farmer groups in Mohale's and Mafeteng districts.

Anders Foghsgaard og Claus Løschenkohl har udarbejdet og indsendt en ansøgning til Kulturministeriets Tips og Lotto midler.

Her er ansøgt om 30.000 kr. til at støtte Berea Agricultural Group (BAG) i Leribe, da de ønsker at bygge nogle vandtanke ligesom dem, der er bygget hos RSDA's medlemmer. Desuden har vi søgt om penge til en notebook, som kan bruges af bestyrelsen som en slags arkiv, og til at medbringe på vores rejser til Lesotho. Vi afventer spændt resultatet af ansøgningen.

Gruppen som arbejder med Rural Self-Help Development Association's (RSDA) ansøgning har fået en oprejsning igen efter to afslag på ansøgninger. Gruppen består af Maria Clausen, Line Kaspersen, Anders og Signe Hedegaard, Karen Steffensen og Max Schröder. Projekter vil fokusere på kapacitetsopbygning af 54 landmandsforeninger med det formål, at de styrker deres organisation, evnen til samarbejde og netværke over for såvel lokale som nationale beslutningstagere. Gennem fortaler-og ledelsestræning styrkes gruppernes mulighed for at påvirke deres egne livsbetingelser.



Projektet er berammet til to år med en økonomisk ramme inden for 1–1,35 millioner



The group aims to come to Lesotho in April or May, and it is Anders and Max, who will perform this task in collaboration with RSDA.

In the last issue of Lumela we encouraged members to sign up to join the DLN's work. Two members have signed up, one for project work and one who would like help to arrange another trip to Lesotho. It is very welcome and don't hesitate to come forward if there is something you are passionate about.

Finally, I invite to participate in the General Assembly on Saturday 17th April in Odense. This year there will be common eating after the meeting.



danske kroner. Målgruppen er landmandsgrupper i Mohale's og Mafeteng diskrikter.

Gruppen satser på at komme til Lesotho i april eller maj, og det er Anders og Max, som vil varetage opgaven i samarbejde med RSDA.

I sidste nummer af Lumela opfordrede vi medlemmer til at melde sig til at være med i DLN's arbejde. To medlemmer har meldt sig, en til projektarbejde og en som gerne vil være med til at arrangere endnu en rejse til Lesotho. Det hilses meget velkomment og kom endelig på banen, hvis der er noget du brænder for.

Til slut vil jeg opfordre til at deltage i Generalforsamlingen lørdag den 17. april i Odense. I år vil der blive fælles spising efter mødet.

The World Economic Crisis: Implications for Lesotho NGO's

By Nchafatso Sello

Introductory Background

Southern Development Non-Governmental Organizations rely heavily on funding from Northern donors inclusive of foundations, governments, corporations and NGO Partners. The last two years however, have witnessed an interesting phenomenon whereby local and international media have been preoccupied by analysis of the scope and implications of the global financial crisis. The meltdown followed a *'housing bubble'* that burst in the United States in 2008, which itself was attributed to a rise in credit risk between 2007 and 2008. This resulted in a liquidity crisis that prompted a substantial injection of capital into financial markets by the central banks of advanced economies. The United States Federal Reserve, the Bank of England and the European Central Bank swiftly responded with massive liquidity injections and the mobilization of public resources meant to recapitalize banks; insure deposits; guarantee money market transactions; and buy back troubled assets.

Sources of SDNGOs funding saw their assets decline by almost 22 percent due to the economic meltdown. Consequently, there was a substantial drop in NGO funding as respective donors began



to cut down their contributions (IRIN 2009). In response, NGOs were forced to scale down both programmes and staff as their income streams flattened. Fundraising experts of some of the world's top NGOs focused a slowdown in 2009 programming growth because of the squeeze. Predictions made by some of the major SNGO programme funders (Oxfam GB, Save the Children UK and World Vision USA) which between them account for an annual income of US\$3.1 billion, were not very rosy at all. According to these giants, the usual goodwill and generosity by Financial Services and Investment Banking sector was expected to decline going into 2009.

Other innovative NGOs however, were reported to have resorted to finding and attracting new alternative sources of funding especially from Corporations and Governments, albeit with some risk or at a cost. The concern was that NGOs that accept and rely on government funding are more secure, but at a cost. It is suggested that if major NGOs let governments and corporations dominate their funding, the sector could face problems of independence and credibility, which is even more serious than financial problems. So the above crisis in the end affected the developing countries, in particular their NGO sector, but to varying degrees.

The Global Financial Crisis and Sub-Saharan Africa

The Bretton Woods Institutions (World Bank and the IMF) have consistently argued that growth is essential for much-needed poverty reduction in Africa. The African sub-continent south of the Sahara had over a decade prior to the 2007/2008 US Credit Crunch made remarkable gains in promoting growth and achieving economic stability. Sub-Saharan growth over the period had been estimated to have averaged more than 6 percent between 2005 and 2009; inflation had fallen to single-digit levels before the fuel and food price shocks of 2008; while reserves were built up. The Fund regarded these as positive developments which had relied on strong economic policies; a favourable external environment with rising commodity prices; debt relief and aid from the international community. In the case of Lesotho however, records show that the country's economy had been in decline since 2000, albeit a marginal recovery in 2005. This was a clear challenge on the country's prospect to keep up with the pace of human development, made even more acute by the global recession that the IMF disclosed had taken toll on the economy.

Impact of the Global Financial Crisis on Sub-Saharan Africa

The implication of the crisis on the sub-continent, according to the IMF, is that hard-won economic gains are now at risk. It in fact went as far as pointing out that Africa was beginning to feel the impact of the global financial crisis. Media began to flag NGO specific warning messages inclusive of:

'Mixed Picture on Private Donations as Financial Crisis Bites' - where it was argued that the effects of the global financial crisis are variable and that it was still too early to foresee the long term impact; *'NGOs Pare Down in Face of Financial Crisis'* - argued that donors, especially corporate donors in the financial sector, have reduced their donations to NGOs due to the global financial crisis (2008); *'Why Fundraising May Flourish While Business Flounders'* - which argued that fundraising for charities and NGOs continued to do well despite economic downturns, but donations from individuals increased in a slower pace (*Canadian Fundraiser*, 2008); *'Less Money for More Work - the NGO Double Whammy'* (IRIN, 2009); *'Is the Economic Mess Going to Kill 100, 000 Non-Profits?'* - which predicted that 100,000 US non-profits would go under due to the



economic crisis (AlterNet March 13, 2009)); *'Tight Belts, Tough Choices for Charities'* which informed that the global financial crisis affects the income of humanitarian NGOs who now deal with decreased funding by trying to make their operations more efficient (IRIN, 2008); *'Credit Crisis Rattle Civil Society'* - argued that donors in rich countries were cutting back on their aid funding because of the international financial crisis; *'Charity Coffers Face Credit Crunch'* - argued that NGOs worry that the Wall Street crisis would tempt governments to reduce international aid and make investors more cautious about supporting development projects (IRIN, 2008); *'NGOs in aid-recipient countries now have to compete for less money'* (Phnom Penh Post, 2008).

Special workshops were convened (*'Workshop series for NGOs "Opportunities in Challenging Times"'*), and web based surveys were conducted where respective experiences were sought - *'South African NGOs and the Financial Crisis - What is your experience?'*. To cut down costs, a large number of NGOs revised down their programs and retrenched staff. Funding from governments, institutions and other individuals now play an increasingly important role in preventing the crisis from affecting the poorest (IRIN October 27, 2008).

The major impact of the world financial and economic crisis on sub-Saharan Africa overall includes fallen demand for African exports; declined commodity prices; and, weakened remittance flows. There is now tighter global credit and investor risk aversion, which in turn have led to portfolio flows. Consequently, deterred foreign direct investment (FDI) has been reversing. In the process, finance has been made more costly. There are also fears that the economic slowdown is also likely to increase credit risk and nonperforming assets, thus weakening the balance sheets of financial institutions and corporations.

Lesotho's Finance Minister, in this year's (2010-2011) Budget Speech summed up the global situation succinctly. He cited the IMF according to which the U.S. economy contracted by 5.5 percent and 1 percent in the first and second quarters of 2009. In the same year, unemployment was recorded at 10.2 percent, the highest level since 1983. For Lesotho, he disclosed, this means Americans have less disposable income to buy our exports and underscores the need and urgency to diversify our markets and export products. On the Euro-zone, he disclosed, economic developments there followed a similar pattern to the U.S. as output declined by 4.9 percent and 4.8 percent in the first and second quarters of 2009, while unemployment was recorded at 9.4 percent and 9.6 percent over the same quarters. He indicated that although Lesotho does not export much to the Euro-Zone, it is a target market that beckons to Lesotho and which has granted it duty-free and quota-free access to its market under the Interim Economic Partnership with the EU.

He also addressed South Africa, Lesotho's main trading partner employing over 50,000 Basotho in its mines and industries, excluding those in services and other tertiary sectors. In relation thereto, the economy had in 2009, contracted by 6 percent and 3 percent in the first and second quarters respectively. Unemployment on the other hand, is estimated at 24.5 percent with some further lay-offs still possible if commodity exports do not pick up strongly. This economic contraction has caused a retrenchment of Basotho migrant workers with consequent declines in remittances yet to be assessed. This is in turn expected to affect the living standards in the rural areas where most of the workers come from.

The biggest greatest impact of economic contraction of South Africa however, remains SACU



revenue shares, as they have historically been an anchor for expenditure policy planning in Lesotho. An added danger is that the method used to calculate shares to member states is also unpredictable. According to the Minister, SACU revenue had increased from M1,422 million in 2003/4 to M4,900 million in 2008/9 and 2009/10, respectively. In 2010/11 it is projected to decline by 60 percent to M2, 162 million and to M1, 695 million in 2011/12 before recovering to M3, 725 million in 2012/13.

Proposed Responses

Analysts suggest that appropriate policy response depends on country-specific circumstances.

However, the IMF maintains that priority for all sub-Saharan African countries must be to contain the adverse impact of the crisis on economic growth and poverty, while preserving the hard-won gains mentioned earlier, inclusive of macroeconomic stability and debt sustainability. It goes on to caution that temptations to respond to weakening balance of payments positions with protectionist measures or by reverting to administrative controls need to be avoided. Economic policy through these difficult times, the Fund suggests, should be guided by the following principles:

Use of available fiscal space to finance increase in fiscal deficit. The countries that achieved macroeconomic stability without binding debt sustainability, constraints to let automatic stabilizers work as they adjust to the new external environment.

Where possible ease monetary policy and let the exchange rate adjust to the external environment. Closely monitor financial vulnerabilities and be prepared to act promptly. Determined risk-based bank supervision will be essential for identifying and addressing banking system vulnerabilities at an early stage.

Keep medium-term goals in sight. Fiscal measures in particular need to consider debt sustainability issues and support development strategies.

Policy Options for Lesotho

Lesotho participates in three regional economic blocs, namely, Southern African Customs Union (SACU), Common Monetary Area (CMA) and Southern African Development Community (SADC). Reviews indicated that SACU has benefited its members tremendously and that Lesotho depends heavily on trade with South Africa and the United States that respectively account for 69 and 19 percent of total trade. Intra-SACU trade is high, allowing small members to enjoy high quality imports. In addition, SACU revenue from the common external tariff form a large part of government revenue, usually more than 50 percent of total revenue in the LNS (Lesotho, Namibia and Swaziland) countries. The CMA comprises all the SACU members excluding Botswana. The currencies of the LNS countries are pegged one-for-one with the South African currency, the rand. The other regional economic bloc is SADC, which comprises Angola, Botswana, Democratic Republic of Congo (DRC), Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Swaziland, South Africa, Tanzania, Zambia and Zimbabwe.

Analysts suggest that like her peers, Lesotho faces a serious challenge to avert the situation. Membership in CMA and SACU limits her policy options. The CMA membership has ceded the use of monetary policy to respond to any shock. Likewise, SACU membership also restricts the use of fiscal policy. There is also a serious limit on tax cuts since SACU members have resolved to



unify their tax policies and laws. It must be highlighted that Lesotho's main source of revenue is SACU, with a share of over 50 per cent. Furthermore, SADC has put in place the benchmarks for macroeconomic convergence. The two benchmarks relevant to fiscal policy are; a fiscal deficit range of 3 to 5 per cent of GDP, and debt to GDP ratio of not more than 60 per cent. This, according to experts, means the country has leverage on increasing spending. It is imperative at this stage they suggest, to determine the items whose spending can easily be reversed with minimum market distortions. As mentioned earlier, investment spending would be desirable to use as a fiscal stimulus. This has potential to lubricate private sector demand and achieve growth within a short period. For the country, boosting the economy could mean a more aggressive stance on capital expenditure. The capital budget was under spent in the recent years due to limited capacity to implement projects. However, it is important to identify specific sectors of the economy whose response to stimulus is high and desirable. This implies, it is suggested, that social spending may not qualify for fiscal stimulus.

Impact on Southern Africa

The questions that arise then relate to the extent to which the region was affected by the crisis. If it was, whether it has affected NGO funding and where this leaves southern NGOs, particularly those in Lesotho. The Central Bank of Lesotho (CBL) talks of two rounds. In the first round, the extent to which the crisis had affected the Southern African region by end of 2008 did not compare with the rest of the world. As an illustration, it was disclosed that out of the four big banks operating in the region, only one that had a merger with a British bank was slightly affected. Otherwise, the crisis in the entire region then, appeared to be well muted. This was partly attributed to the regional banks' conservatism adopted over the years, as well as relatively stringent exchange controls.

Experts had expected that since the crisis did not adversely affect the financial sector in Southern Africa, then second round effects would be minimal, if any at all (CBL). To their dismay, it is disclosed, the region appears to have been affected significantly by second round effects. The economic structure of the least developed countries, as well as that of the emerging markets, dictates that these countries are affected by the developments in the markets of developed countries. For instance, it is established that Lesotho's exports of clothing and textiles is largely dependent on the level of economic activity in the US markets. This is the case for the entire region's exports, regardless of the level of development. Thus as a result of the impact of financial crisis on economies of developed countries, demand for regional products has plummeted, forcing manufacturing industry, especially the export sector, to retrench workers.

Consequent to the above, argues CBL, the purchasing power of the retrenched workforce drops, leading to the overall decrease in domestic demand. This process manifests itself through cyclical effect, resulting in the overall slowdown in production. If not adequately addressed by the policy makers, this slowdown in turn could lead into a recession with adverse domino effect. The impact can be severe on Lesotho's small economy given that the majority already lives on handouts. The crisis has also made the region vulnerable to inflation which could be caused by depreciation of regional currencies against those of their major trading partners. Among diverse economic predictions made over the slowdown, include a fear that if not attended to urgently, it potentially could match the recession experienced in the 1930s. These predictions have led to a situation where



world leaders have taken different policy actions to avert the situation.

Impact on Lesotho's Economy

It is too soon to conclusively predict, let alone assess the exact impact the crisis have had on Lesotho's Economy generally, and more specifically on the NGO sector. We are yet to access whatever studies or empirical evidence have or are being undertaken or collected on this subject. However, available evidence to date suggests that the local NGO sector has not been immune to the fall-out of the crisis. All NGOs, big and small; urban and rural; local and international; without exception have been affected. For some, it is disclosed, the impact has been immediate, while for others the real impact will only be known in months to come.

A rapid survey and literature review that informs this article reveals that sources of NGO funding are under increasing pressure. SANGONeT, authenticated by anecdotal evidence, discloses that respective regular supporters and international donors have less disposable income; corporate bottom lines have shrunk; and international grant flows have slowed. In order to cope, many parents postpone their children's education just to keep their families fed. They put off health care needs to pay for basic utilities. They postpone dreams or stop saving money — because there's nothing extra to save. And some even choose which days of the week they eat — or who in the family can eat on a given day — because there's just not enough to go around.

The biggest impact manifested itself in the laying off of workers employed in the manufacturing of textile and clothing and the mining industry. This, it was disclosed, had sent shock waves through other sectors of the economy like retail, transport and telecommunications. The meltdown was also blamed for reduction of the SACU revenue which accounts for 60 per cent of total revenue to the Government of Lesotho. Large transfers from SACU, together with workers' remittances and exports of textiles and diamonds, contributed to a sizable build-up of international reserves equivalent to 6.7 months of imports at end-2007. Inflation surged from 6.4 percent at end-2006 to 11.8 percent at end-November 2008 owing mainly to the rise in food and fuel prices. Growth in broad monetary aggregates remains high, reflecting the continued accumulation of net foreign assets.

Nonetheless, in February 2009, the Executive Board of the IMF concluded that Lesotho had made significant progress in macroeconomic performance except that the pace of implementation of key structural reforms had been slow. It noted that economic activity surged above historic trends, averaging 6.6 percent during 2006-07 following a decade of low growth. The surge was driven by the mining, textile and construction sectors. The only unfortunate thing was that poverty had then seen only a modest decline. HIV/AIDS epidemic has also continued to impact negatively on the economy, public service delivery and social development, and is threatening the achievement of the Millennium Development Goals (MDGs).

On his part, in his presentation of the 2010-2011 Budget Speech, Lesotho's Finance Minister was upbeat. He disclosed that although the meltdown had ravaged the world economy, Lesotho had for its part remained focused on the economic fundamentals. It pursued *high, shared and sustainable growth, reducing poverty, creating jobs and protecting the poor, orphans and vulnerable children*



and old citizens. It remained focused on fighting HIV and AIDS; extending the care and treatment of Children with HIV and AIDS; on building satellite clinics in all the ten districts of Lesotho. It has partnered with the Christian Health Association of Lesotho (CHAL) and other development partners to deliver coverage over a wider area and to include more people.

The country's strong economic performance was attributed to the Government's prudent macroeconomic management, and a continued build-up of international reserves. It was noted however, that the country continues to face the challenges of sustaining economic growth, tackling widespread poverty and the high incidence of HIV/AIDS, and achieving the MDGs. The on-going global economic and financial crisis further complicates efforts aimed at addressing these challenges.

The Main Transmission Channels of the Crisis

The IMF spells out the main transmission channels, which include SACU revenues; textiles; diamonds, and workers' remittances:

SACU Revenues

Slower growth in South Africa's economy reduces import demand, and thus customs duty, excise taxes and the amount of revenues transferred to Lesotho. Following the recent downward revision in South Africa's growth prospects, the projected SACU common revenue pool (CRP) was reduced by 6 percent in 2009, and by 15 percent in 2010–11. This has led to a significant revision of Lesotho's medium-term fiscal framework;

Textiles

With the slow-down in the U.S. economy, export volumes from Lesotho have declined. In addition, as most of the garment factories are owned by firms in Asia, some of them are facing difficulties obtaining trade credit for input financing from their Asian banks, which have been affected by the global credit crunch.

Diamonds

Weak prices for diamonds and the global credit crunch have resulted in reduced production and exports of diamonds. Already one mining company, Liqhobong, has suspended production and is reassessing its operations. Another, Kao, which is just beginning production, is looking for potential investors—a task that is difficult in the current environment.

Worker remittances

Remittances from migrant workers, mainly from South Africa, account for about 20 percent of GDP. Already retrenchments in South Africa's mining industry in response to the global credit crunch may put over 9,000 jobs at risk, thus potentially affecting some 50,000 Basotho who work in South Africa's mines. A decline in remittances reduces private consumption, lowers growth and increases poverty.

The above situation is a direct threat to the livelihoods of Basotho. The Government has been cautioned and seriously urged by both the CBL and Civil Society to ensure that in dealing with these challenges, it should ensure that all programmes currently in place to improve livelihoods remain intact. Programmes that are untouchable include:

Provision of basic health care services, in particular free access to health services and drugs, including the fight against HIV/AIDS pandemic;



Continued strengthening of critical efforts to provide education at all levels, in particular free primary;
To maintain provision of Old Age Pension.

Happily for civil society, the Minister in his Budget Speech has to a large extent lived to their expectation. The only challenge is that Government has continued the long tradition of marginalizing and discriminating them in its allocation of the budget. This is despite the fact that NGOs are contributing a relatively large amount of money into the Tax Collector's bag.

Conclusions

If there had been expectations by NGO activists that the recent budget speech was going to shed a light into whether and how the budget was going to cushion them against the crisis, they must have been seriously disappointed. While the reality is that global resources which have historically been the life-line for DNGOs have shrunk, there does not seem to be any respite offered by their own tax dollars. Not even a mere reference to NGOs has been made. Only Public Private Partnership (PPP) is envisaged. So this implies that organized civil society should resolve to be resolute and aggressive in its hunt for alternative resource mobilization and partnership building if it is going to survive. How exactly this will be realized, is yet to be seen as the year unfolds.

Words of Memory for Ntate Kibi

By Bodil Høiland

My dear partner Ntate Makohothatsa Kibi has passed away. I learned this sad message from 'M'e Tisli who works at Social Welfare in Maseru.

I worked with Ntate Kibi at the hospital in Buta Buthe. Ntate Kibi was a really rare person, a great man. He was always kind and hard working. I learned a lot from him. He was always at my disposal if there was anything in African culture that I did not understand.

He was curious and open minded for new initiatives, and he liked to discuss ways of development for Lesotho and Social Welfare.

He was very knowing and wanted the best for any person who came to Social Welfare. Ntate Kibi was the one person who made me care really much for Lesotho and the people living there.

Mindeord over Ntate Kibi

Af Bodil Høiland

Min kære Partner Ntate Makohothatsa Kibi er død. Jeg hørte dette sørgelige budskab fra 'M'e Tisli, som arbejder på Social Welfare i Maseru.

Jeg arbejdede sammen med Ntate Kibi på hospitalet i Buta Buthe. Ntate Kibi var et af de helt sjældne mennesker, et stort menneske. Han var altid venlig og arbejdsom. Jeg lærte rigtigt meget af ham, som altid stillede sig til rådighed, hvis der var noget i den afrikanske kultur, jeg ikke forstod. Han var nysgerrig og åben for nye tiltag og ville gerne diskutere udviklingsmuligheder for Lesotho og Social Welfare.

Han var meget vidende og ville alle dem, der søgte Social Welfare, det bedste. Ntate Kibi var den person som gjorde, at jeg kom til at holde rigtigt meget af Lesotho og de mennesker, der boede der. Ntate Kibi respekterede alle mennesker og gjorde ikke forskel. Han tænkte på andre, før han gjorde





Ntate Kibi respected all people and did not discriminate. He thought of others before making room for himself. I will think of him and his family.

Ntate Kibi was married and leaves behind a wife and two small children. It is a very big loss that Ntate Kibi is not here any longer.

Honoured to be his memory.

If anyone would like to send money to his wife, I hereby forward 'M'e Kibi's e-mail address: matumelokibi@yahoo.com or I would collect and send the money in one portion:

Bodil Høivang
Mølvangvej 74
7300 Jelling



With Ntate Moshe Tsehlo at the COP15

By Moshe Tsehlo

The United Nations Climate Change Conference in Copenhagen, Denmark, took place from the 7th to the 18th December 2009; it included the Fifteenth Conference of the Parties (COP15) to the United Nations Framework Convention on Climate Change (UNFCCC) and the fifth Conference of the parties serving as the meeting of the Parties to the Kyoto Protocol.

plads til sig selv. Jeg vil tænke på ham og hans familie.

Ntate Kibi var gift og efterlader sig kone og to små børn. Det er et rigtigt stort tab, at Ntate Kibi er død.

Ære være hans minde.

Hvis nogen vil sende penge til hans kone, vil jeg hermed gerne formidle 'M'e Kibis mailadresse: matumelokibi@yahoo.com eller indsamle og sende pengene samlet:

Bodil Høiland
Mølvangvej 74,
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The Copenhagen Conference was the height of a two year negotiating process to enhance the international climate change cooperation under the Bali Roadmap, launched by COP 13 in December 2007. Close to 115 world leaders attended the joint COP and COP/MOP high level segment from the 16th 18th December 2009, and more than 40,000 people, representing governments, non-governmental organizations, intergovernmental organizations, faith based organizations, the media and UN agencies. During the high level segment, informal negotiations took place in groups consisting of major economies and representatives of regional groups. For Lesotho the delegation included the Prime Minister, the Minister of Foreign Affairs, the Minister of Natural Resources and the Minister of Environment together with their Principal Secretaries, on the side of business it was one person and the NGO sector was one being the author of this article.

The preparation done before Copenhagen

On the side of NGOs, there had been a number of meetings that had been organized by Pelum Lesotho through its members to sensitize them about the Climate Change meeting in Denmark and the implications of any deal that was envisaged to be signed at the Conference. The impacts that were cited included those that will affect the small scale farmers in terms of adaptations and mitigation plans as far as Lesotho's NAPA was concerned, it needs to be noted here that Lesotho as country does not emit green gas houses. If it does, this is still at a small scale, to an extend that the effect will not even be seen.

But the fact that Lesotho is surrounded by a developed country like South Africa, the effect of climate change is already seen by the changing climatic conditions that are being experienced in Lesotho, especially in the south part of the country where the drought and desertification has taken its stroll. This phenomenon actually does not leave Lesotho immunized from the rest of the countries that have been affected by the negative impacts of Climate Change, hence Lesotho is party to the UNFCCC.

The consultations in the form of meetings and workshops conducted in Lesotho before the meeting in Copenhagen which formed our preparations informed our position in Denmark in that the appeal that we made, which was also part of the larger NGO position, was that we need a legally binding deal to be agreed and signed in Copenhagen. A deal that will ensure that the world's greatest emitters of GHGs are forced or obliged to reduce their GHG to at least 1.5 degree Celsius based on the 1990 levels. And further that the ODA financial assistance is increased as addition to ODA not as part of the current ODA assistance and that the Kyoto Protocol remains as the corner stone for any further UN engagement on Climate Change.

That type of a deal to us would mean that each developed country will be obliged to annually indicate the efforts it has taken to reduce the emissions and that an international mechanism will be put in place to monitor each of the Annex one countries in terms of compliance to the agreed standards of regularization. The deal would also mean that the NON annex one countries will submit their Updated NAPA Programmes to the UNFCCC for funding in activities related to adaptation, mitigation, implementation REDD, agriculture and other activities.



The impression of the meeting in Denmark

The overall impression that I had of the meeting was that it was mainly dominated by the rich or developing countries from the West who were mainly looking at their interests and their voters. One can say to some extent this was fine from their context, there was a lot of arm twisting done to African countries which were negotiating on good faith while their counterparts had a lot of self interests being put on the front line. This was quite evident when Denmark, France and the USA tried to sneak in a draft text to the main plenary, and the said document was later read by the President of Ethiopia who had connived with the Western countries to undermine the African Block during the negotiations.

Back to Lesotho

I came back to Lesotho with a lot of enthusiasm and the determination to ensure that I contribute to the Basotho nation being aware of the implications of climate change in their day to day life. In Lesotho as we speak it is not easy link climate change with the climatic changes which has long changed. Basotho are now not sure about their planting season and harvest season due to frequent storms, heavy and short rains, severe drought, especially in the Southern part of the country and thunderstorms.

The experiences from other countries that I encountered and shared will strengthen Pelum Lesotho in its advocacy programmes in the area of climate change, and the monitoring of the implementation of Lesotho NAPAs will be the key to this task. We will also think of compiling a shadow report to UNFCCC alongside the official Government NAPAs . In these programmes other stakeholders like NGOs dealing with environmental issues will be updated and a CSO network on climate change will be initiated and be linked to other climate change network in the regional and internationally.

The future for Lesotho in the matter of the Climate Change Conference

I see Lesotho's future in the context of climate change negotiations as very promising since now Lesotho is the Chair of LDCs countries and its leadership has been instrumental in the pre-Copenhagen meeting and even now and I see this trend continuing and on the side of CSOs we are very proud about the role Lesotho is taking and we hope that these efforts can be complimented by real action on the ground, in terms of support for NAPA implementation so that the ordinary Mosotho at the local level can be in position to accrue benefits derived from Lesotho participation at these international meetings.

China in Africa

By Anne Andersen

Jyllands-Posten 10th January 2010 brings in an article headlined **China's Shadow is Spreading in Africa** some views on why China is investing more and more in the African continent.

One explanation is: "Africa's resources are the guarantor of China's continued

Kina i Afrika

Af Anne Andersen

Jyllands-Posten 10. januar 2010 bringer under overskriften **Kinas skygge breder sig i Afrika** nogle synspunkter om, hvorfor Kina investerer mere og mere på det afrikanske kontinent.

En af forklaringerne er: "Afrikas ressourcer er garant for Kinas fortsatte vækst." Der skal



growth." China needs more resources (fuel, metals, etc.) than the country can provide itself, and the Chinese are able to work under far poorer economic and human terms than investors from Europe and the United States. Most Chinese companies operating in Africa are wholly or partly state owned. This gives almost unlimited access to cheap loans. It is a huge advantage over Western competitors, which must operate on pure market conditions.

One explanation why the Chinese have the goodwill of African governments is that they do not interfere in countries' governance - until, possibly, should come to power a strong critic of social conditions for Africans in the Chinese-owned businesses. If this should happen, Chinese investment will immediately disappear from such a country, and this would close local jobs in the thousands.

"We only turned to the East when the West turned their backs on us." This statement came from Zambia's late President Levy Mwanawasa. There are several good explanations for his statement. My experience as a former development worker in Lesotho is that many Western development agencies have also turned their backs on Africa. This is, however, not mentioned in Jyllands-Posten's article.

During my visit to Lesotho in 2008 it was obvious that the businesses operated by Western consortia over the last 10 years have been outperformed by one Chinese company after another. When people have great scarcity of money, they will buy the cheapest products - even if the quality is poor. The Chinese profit on this fact. This is another motive for China's entrance into Africa - creating a market for cheap Chinese products.

flere ressourcer (brændstof, metaller, mm.) til i Kina, end landet selv har, og kineserne kan arbejde under meget dårligere økonomiske og personalemæssige vilkår end investorer fra Europa og USA. De fleste kinesiske virksomheder, der opererer i Afrika, er helt eller delvist statsejede. Det giver næsten ubegrænset adgang til billige lån. Det er en kæmpe fordel i forhold til vestlige konkurrenter, der må operere på rene markedsvilkår.

Forklaringen på, hvorfor kineserne får goodwill af afrikanske regeringer er, at de ikke blander sig i landenes styreformers - indtil der evt. kommer en stærk kritiker af arbejdsforholdene på de kinesisk ejede virksomheder til magten. Sker det, vil kinesiske investeringer omgående forsvinde ud af det pågældende land, og dermed lukker lokale arbejdspladser i tusindvis.

"Vi vendte os først mod Østen, da Vesten vendte os ryggen." Udtalelsen kommer fra Zambias nu afdøde præsident Levy Mwanawasa. Det er der flere gode forklaringer på, og oplevelsen som tidligere udviklingsarbejder i Lesotho er, at mange vestlige udviklingsorganisationer også har vendt Afrika ryggen. Det bliver dog ikke nævnt i Jyllands-Postens artikel.

Under mit besøg i Lesotho i 2008 var det tydeligt, at forretninger drevet af vestlige konsortier igennem de sidste 10 år er blevet udkonkurreret af det ene kinesiske firma efter det andet. Når befolkningen har stor knaphed på penge, køber de billigt - også selv om kvaliteten er dårlig. Det lukrerer kineserne på. Dette er et andet motiv for Kinas indtog i Afrika - at skabe et marked for billige kinesiske produkter.

News from Lesotho:

From Ha Ntatae January 2010

Lesotho's population decreases due to decline in fertility

Minister of Finance and Development Planning says the population rate in Lesotho has decreased due to an accelerating decline in fertility and the increased number of deaths mainly because of HIV and AIDS.

Dr. Timothy Thahane revealed this when briefing media about the 2006 population and housing census in Maseru.

He said that between 1996 and 2006, Lesotho's population rate hardly increased hence it stands at 1,876,633. This number includes every person who was found living in Lesotho on 8th April 2006.

The 2006 population and housing census reported the total number of households to be above 422,000 and access to safe drinking water has increased from 62% of the population in 1996 to 73.9% in 2006.

The 2006 population and housing census was the fifth modern census conducted by the Department of the Bureau of Statistics.

State of the World's Children 2010 report launched

The State of the World's Children 2010 report has been launched in Maseru amid the ongoing celebrations to mark the 20th anniversary of the adoption of the Convention on the Rights of a Child (CRC) by the United Nations General Assembly.

Ratified into law by all the countries around the globe including Lesotho in 1992, the Convention and its principles have motivated governments to place children's rights and development at the forefront of their agendas.

Last week, children in Lesotho visited the national assembly where they appealed to the government to speed up the enactment of the Child and Protection Welfare Bill of 2004.

They also attended a one day workshop aimed at bringing them together to discuss their issues and speak with one voice.

MFP expresses dissatisfaction over proposed Land Bill

Members of the Marematlou Freedom Party (MFP) held a media briefing at their offices in Maseru, to express their dissatisfaction over the proposed Land Bill of 2009.

Members of the MFP led by Mr. Moeketse Malebo said the move could deprive Basotho especially those who are poor to access land in their own country.

According to Mr. Malebo said that Moshoeshoe I fought very hard to have peace and stability among Basotho saying if enacted by parliament, the Land Bill will be disastrous as it will give provision to foreigners to have a right to buy land from the poor who cannot afford to use it.

He stated that land is one of the few commodities which Basotho have adding that the country and its people suffered loss of territory at the hands of nations which boasted heavy power.

The Leader encouraged the government to engage in serious talks with the society to get their views regarding the matter saying this would enable them to know what the public wants.

Another member of MFP, Mrs. 'Mathabang Linake said Lesotho has already lost a lot to foreigners.

She mentioned that during the apartheid era, South African farmers distorted the original boundaries between the two countries by shifting the border fence and encroaching into the Lesotho territory.

This briefing by MFP members follows the one held recently by Members of the Lesotho Political Youth Forum (LPYF), who also expressed their dissatisfaction over the proposed Land Bill of 2009.

LHDA collects M7.6million in royalties for water transfer to SA

From January to October 2009, the Lesotho Highlands Development Authority (LHDA) has collected M7.6million in royalties for the transfer of water to South Africa.

This was said by LHDA's Acting Chief Executive, Mr Masilo Phakoe on Friday during a one-day stakeholders conference in Maseru where he also explained that the money is directed to the government and is used for the upgrading of roads and poverty reduction.

Mr. Phakoe said the authority conducted a socio-economic survey to analyse the living conditions of communities affected by the Lesotho Highlands water project and it has identified that the lives of affected households are satisfactory and better off than the non affected communities.

The Acting Chief Executive added that the authority is doing all it can to ensure that affected communities get compensation for resettlement on time, but there are cases which result to delay in timely payments.

He advised beneficiaries to provide their identity documents including passports in order to speed-up the payments and address the complaint.

The community representatives of affected communities from 'Muela, Mohale and Katse expressed appreciation for the good working relations that exist between them and LHDA.

What is Denmark Lesotho Network?

The NGO Denmark Lesotho Network (DLN) was founded in 2002 by former Danish development workers in Lesotho and other good friends of the tiny mountain kingdom in Southern Africa. DLN aims at supporting NGO's in Lesotho in their work to develop civil society. DLN uses its network of people and organisations in Lesotho to pinpoint beneficiaries of DLN's support – and to keep an eye on that funding is used according to agreements made. DLN wishes to enhance knowledge of the living conditions in Lesotho and to seek funding from foundations, business enterprises and organisations for actual projects in Lesotho.

Membership of DLN

Anyone, who can support the aims of DLN, can achieve a membership. Members contribute to support initiatives in Lesotho that develop and better living conditions in the country. Members will receive an electronic newsletter four times a year and be invited to DLN's annual general assembly. The cost of a membership is 100 Danish kroner yearly. For membership contact cashier Karen Steffensen, tel.: +45 97578252, e-mail:

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