



STRATEGIC PLAN

2018–2023



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FOREWORD

BY THE CHAIRPERSON



The United Nations 2030 Agenda for Sustainable Development is a global partnership, a blueprint for making our world more sustainable, equitable and livable. Through the adoption and implementation of the Sustainable Development Goals (SDGs), there is a commitment to reduce global poverty through sustainable agriculture and manufacturing. In our continent, the African Union Agenda 2063 also aspires for a prosperous Africa, based on inclusive growth and sustainable development.

Our National Strategic Development Plan II (NSDP II) identifies inclusive and sustainable private sector led economic growth as a key priority area. This is supported by the National Industrialization Policy that seeks to diversify both the portfolio of our export products and destination markets.

By this Strategic Plan 2018-2023, the Lesotho National Development Corporation (LNDC) emphasizes the need to implement economically sound investments with positive social impact on the communities and the Basotho entrepreneurs, while reducing negative effects on the environment. The plan addresses diversification in manufacturing and agriculture, mobilizes resources to support the ambitious targets, and develops the right talent to lead our economic transformation into the future. This is in full alignment with the policy objectives of the Government.

In closing, we look forward to the support of all the key economic players, especially the private sector and Development Partners, in realizing the aspirations contained in this plan.

Thank You,

T SOPENG

A handwritten signature in blue ink, appearing to read 'T. Sopeng'. The signature is fluid and cursive, with a large initial 'T'.

.....
Chairman of the Board of Directors

MESSAGE

BY THE CEO



Besides making a good profit and maintaining a healthy balance sheet, what is our higher purpose as an industrial development Corporation?

We are moving into the next 5 years with a new and strong sense of meaning. We feel we should make an impact in a truly fundamental way. The Strategic Plan 2018 - 2023 mobilizes our private sector and the resources at our disposal around one common purpose; to develop the first generation of Basotho industrialists. And in the process, we are going to uplift thousands of rural communities out of abject poverty by consciously mainstreaming their participation in the supply chains of our investments. But this is not only about jobs. It is also about raising their income levels. This is our *raison d'être*.

In order to realize the ideals of shared, inclusive and sustainable growth as espoused in the National Strategic Development Plan II (NSDP II), we seek to put significant financial resources and technical know-how into a sector where over 70% of our people earn a living. We are repositioning our country as an agricultural powerhouse in Southern Africa. We

are embarking on a journey, a movement to change the face of an entire economic sector. And our approach to investing this time will be different. So is our plan towards global competitiveness.

First, we commissioned studies and identified about 20 priority products which already have international market access or hold a great potential to do so. We are going to identify established, leading export-oriented companies within the priority list of 20 products. We will partner and support, incentivize and reward them by scaling up their productive capacities, facilitating international market access, and integrating them into regional and global supply chains.

Second, we are going to set up new companies, or national champions, within the 20 priority areas and related product categories as proposed by the New Products, New Markets study commissioned by the LNDC and Commonwealth in 2017. The study was aimed at providing a priority list of products and corresponding markets whose

potential remains largely unexploited but available to Lesotho to support its diversification strategy. As an industrial development Corporation mandated to pioneer and build industries, attract and invest both domestic and foreign capital, LNDC can no longer afford to look inwards within the geographic borders of Lesotho in diversifying our economy. We have now come to a conclusion that our best bet as a country is to invest in capabilities geared towards open and fierce global competition. The current trend towards globalization is highly disruptive and very powerful, if not unstoppable. Hence, industry boundaries no longer stop at national borders. Instead, competition is intensifying in industry after industry. And the relevant market for many products also extends well beyond national geographic borders. We intend to initiate, promote and

facilitate the development of vertically integrated industrial players or national champions capable of competing at par with their regional and global peers in strategic industries, particularly within the high tech agro-processing space. For the first time, building industries and diversifying our economy will mean cross-border acquisitions of strategic assets, raw materials, distribution channels, and technology by these national champions. This presents the real odds of turning the tide for us as a country. These companies will have the necessary scale and scope in their operations. They will have the right technologies, products and process certifications in their industry. They will have diversity of top talent to lead them. And they will invest in powerful brands, deliver on their brand promise and they will go global right away. Entering foreign/ regional markets early is no longer an

option for us as a country, but it has now become a dire necessity. With this strategic roadmap, we are flipping our resource allocation almost completely, to address talent, capital and time commitments. And for the first time, activities in high tech agro-processing and related supply chains will consume a significant portion of these resources. In these five years, we are looking at modern high-tech agriculture as an area for big business, big investment, and big impact in terms of jobs, incomes and overall economic competitiveness. In manufacturing, Basotho entrepreneurs will be integrated into local, regional and global supply chains. Going forward, we will meticulously assess and evaluate the impacts of these investments on the economy, on social equity and the environment. In conclusion, we recognize that a superior strategy and a winning

business model are not enough. This new strategic posture also demands a reconfigured organizational platform. Therefore, the LNDC structure will be realigned, and its business processes optimized to deliver one key performance parameter critical to the success of this plan: Speed and excellence in execution.

To sum it up:

“Speed is our objective function, the operating model, the cultural bias. And more: speed is an imperative”.

Khotso! Pula! Nala!

AM SELEKE



.....

Chief Executive Officer

1.1 MANDATE

The Lesotho National Development Corporation (LNDC) was established by an Act of Parliament as a parastatal. The LNDC Act No. 20 of 1967, as amended by LNDC Act No. 13 of 1990 and LNDC Act No. 7 of 2000, mandates the Corporation to:

“initiate, promote and facilitate the development of manufacturing and processing industries, mining and commerce in a manner calculated to raise the level of income and employment in Lesotho”

In order to fulfil this mandate, the statute further empowers the Corporation to raise funding to finance its programme of action. Section 5.1(d) specifically mandates LNDC to:

- raise, lend or borrow money;
- make advances to any company, form or person;
- lend and advance money to companies, firms or persons owning or engaging in any business similar or related to that of the Corporation;
- guarantee payment of cash or performance of contracts by any such company, firm or person on any terms as may be agreed upon and
- issue debentures, bills of exchange and other negotiable or transferable instruments

And Section 5.1(e) allows the Corporation to promote, assist or finance any project, enterprise or undertaking by:

- direct expenditure on or towards the implementation of the project or undertaking or any of the objects of the project or undertaking;
- making loans or grants for the purposes of the project or undertaking;
- investing any moneys belonging to the Corporation in any project, undertaking or enterprise;
- providing technical, advisory or managerial assistance and services;
- providing plant or machinery for the purposes of any project, undertaking or enterprise.

In executing its mandate, the Corporation is expected to apply commercially sound principles, and to prepare a programme to show how it proposes to act in that regard. For the past five decades, the Corporation has substantially concentrated its resources in developing the manufacturing industry, particularly textiles and clothing. Going forward, this Strategic Plan proposes a re-balancing of resources into high tech agro-processing and its associated, commercially sound agricultural supply chain activities.

Thus, the Strategic Plan 2018 – 2023 complies with the requirements of the statute, aligns with the National Strategic Development Plan II (NSDP II), and the National Industrialization Policy on economic diversification.

1.2 VISION

A catalyst for a diversified, globally competitive economy, underpinned by manufacturing and high-tech agro-processing industries.

1.3 MISSION

We commit to deliver excellent and speedy services to our clientele as we partner to achieve inclusive and sustainable economic growth.

1.4 VALUES

- Sense of urgency. It is not done until it is done. Dedication to every investor's success.
- Teamwork and partnership
- Recognition of excellence in performance and fair reward
- Integrity
- Accountability

1.5 DESCRIPTION OF THE BUSINESS

In order to carry out its broad mandate, LNDC provides an array of services that are critical for its successful delivery. Specifically, the Corporation provides serviced industrial sites, factory buildings, project financing and equity participation in strategic projects. The services are broadly grouped under:

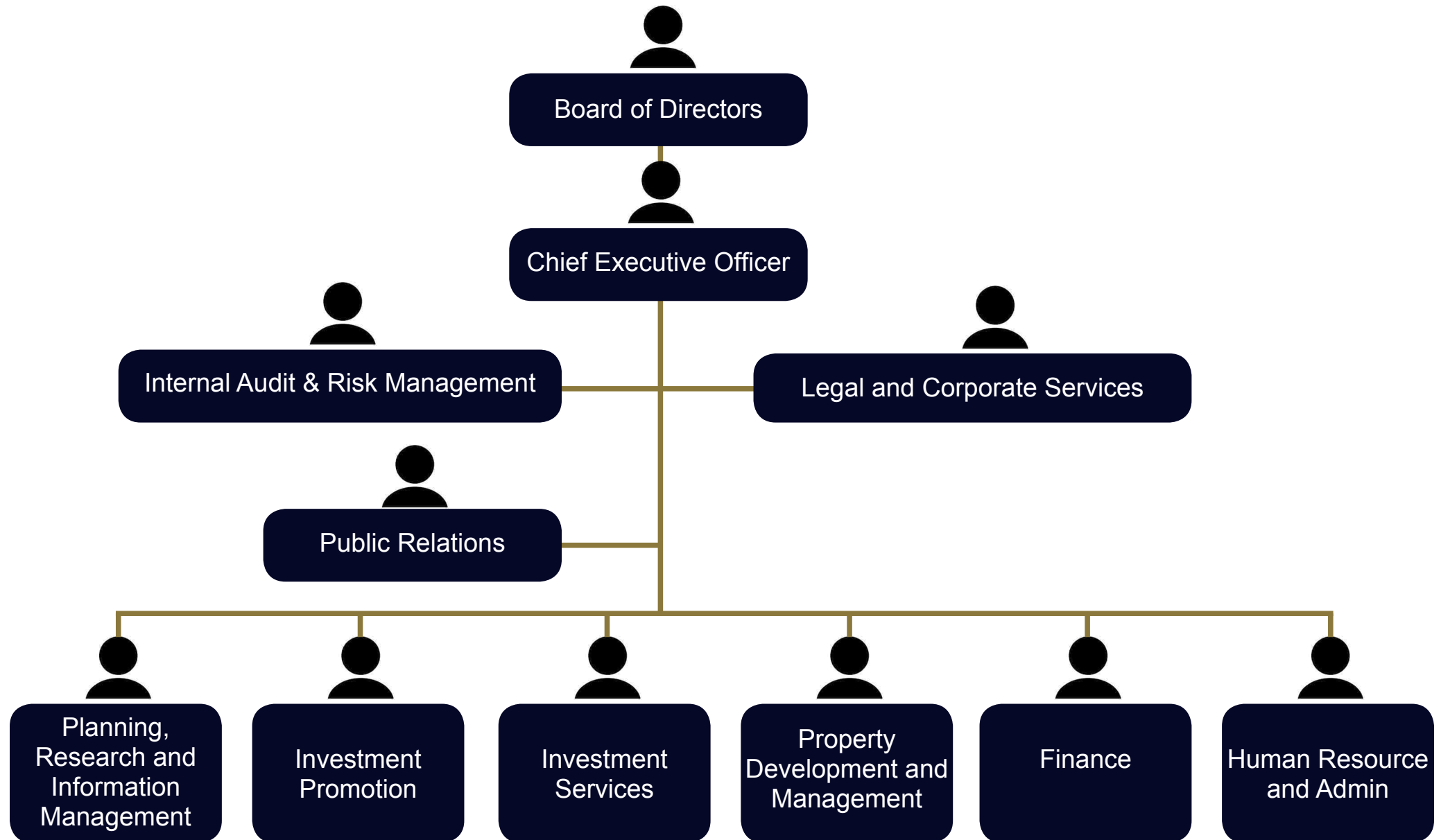
- Investment promotion
- Investment facilitation
- Aftercare services
- Investment incentives

1.5.1 Old LNDC structure

In terms of its establishment Act, the strategic leadership of the Lesotho National Development Corporation (LNDC) is vested in the 11-member Board of Directors appointed by the Minister of Trade and Industry. The Board provides direction and oversight over the affairs of the Corporation. The operations of LNDC are managed by the Chief Executive Officer supported by the Executive management team.

The Corporation is currently undergoing organizational realignment. The old organizational structure is depicted in the next page in figure 1.

Figure 1: Old LNDC organizational structure



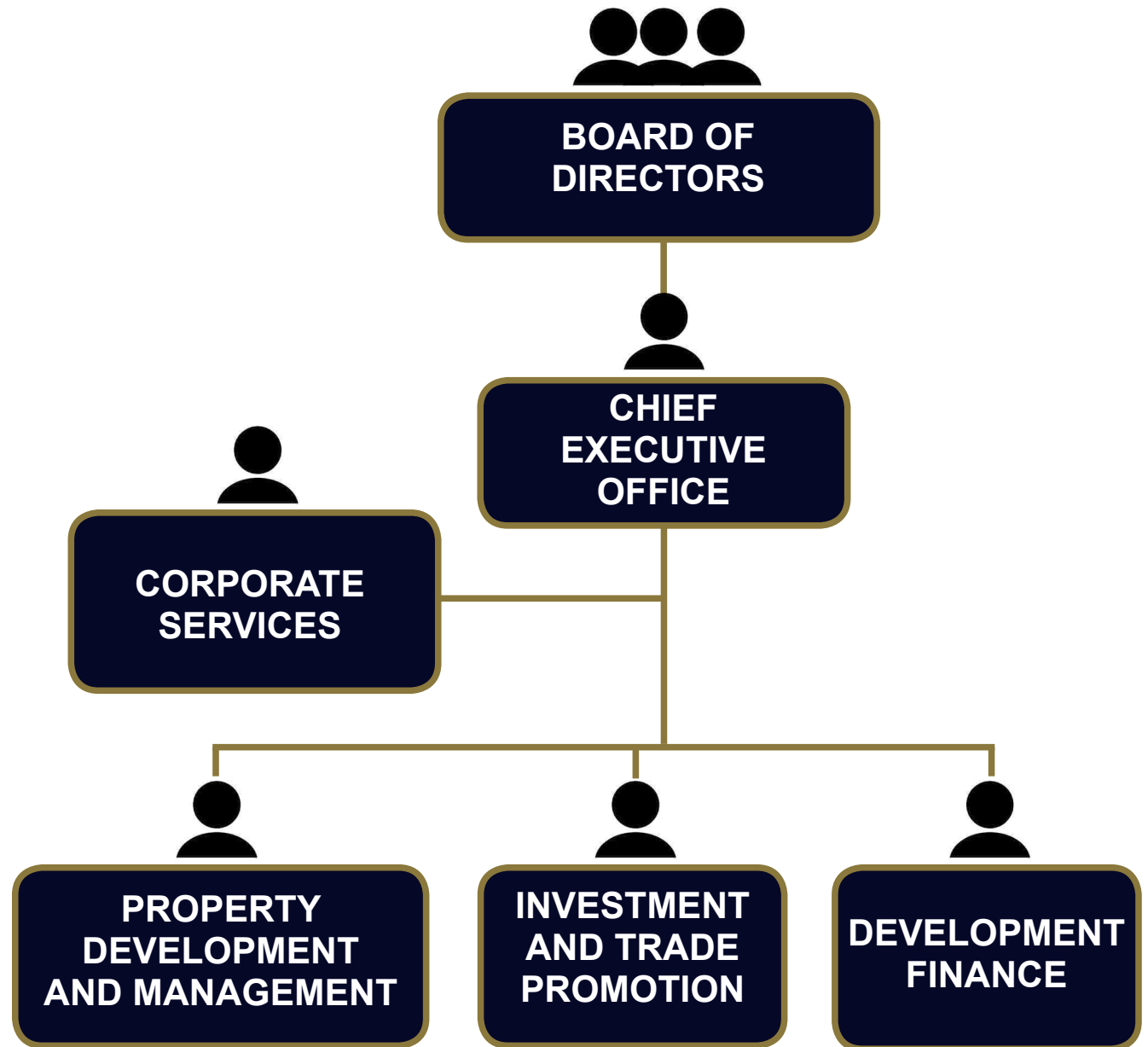
1.5.2 The New LNDC organizational structure

Given the challenges in its operating environment, including fiscal constraints in the Central Government, and urgent need to diversify Lesotho's economy, it became apparent that the Old LNDC organizational structure could no longer effectively support the Corporation to carry out its mandate. After the realignment, the Corporation will have four strategic business units namely:

- Development Finance Institution (semi-autonomous);
- Property Development and Management (semi-autonomous);
- Investment and Trade Promotion; and
- Corporate Services.

The ongoing realignment process will determine the functional areas, shape and size of the business units once finalized.

Figure 2: New LNDC organizational structure



2.1 EXTERNAL ANALYSIS

2.1.1 Macro-environment

In carrying out its mandate to initiate, promote and facilitate the development of industry in manufacturing and processing, the viability of the Corporation's investments is subject to many underlying risk factors. Key trends include:

- **Technology: Automation/digitization in manufacturing and agriculture**

Rising demand for better yields and higher environmental protection to produce more with less, smart farming, or precision agriculture (PA) and the integration of digital technologies are set to become the most influential trends in the sector as a growing number of farmers begin to adopt digital technologies to run businesses. Similar trends in terms of automation and/or digitization are emerging across many sectors, particularly manufacturing. Consumer expectations and the advent of connected devices and platforms are driving the persistent digitization of the manufacturing. This is becoming a competitive imperative for LNDC to adopt and adapt to such changes in order to improve its operational efficiencies.

- **The future is green: Sustainability, carbon footprint reduction**

There is an ever-increasing global regulatory pressure to reduce carbon footprint, to switch to cleaner and greener energy solutions, and to retool to environmentally friendly treatment and disposal of industrial and agricultural waste. The movement towards cleaner, environmentally responsible manufacturing and agriculture is part of the larger corporate governance theme; sustainability. Challenges of water scarcity in the region, especially South Africa, call for more innovative and collaborative approach in the management of scarce resources. The emphasis is on creating sustainable, shared value through the triple bottom line by balancing the impacts on the general economy, society equity and the environment. Environmental impact by LNDC industrial engagement should therefore align to expectation.

- **Urbanization**

In 1950, 29.55% of the world population lived in urban areas. At the time, only 14% of Africans lived in urban areas, and only 1.75% of Basotho lived in urban areas. By 2020, about 56% of the global population will be urban dwellers, close to 45% of Africans and about 30% of Basotho.

Pressure on financing basic infrastructure, industrial estates in manufacturing and food production is therefore mounting on LNDC to accommodate such developments.

- **Fiscal constraint**

Leverage: Global public debt had stabilized since 2008, but it is creeping up again. Countries in Sub-Saharan Africa had Debt to GDP ratios of more than 60% in 2015. In Lesotho, the figure is even more bleak. Public debt in Lesotho is now over 63% of GDP. Public spending grew from 45% of GDP in 2004 to about 59% in 2015, driven mostly by the increase in the wage bill (which was 22% of GDP in 2015), one of the highest in the world.

Revenue: With weaker domestic revenue collection, and further projected fall in SACU revenues, the fiscal space to service public debt and meet other fixed obligations is getting tight. Financing future investments in manufacturing and agro-processing may hinge on domestic private capital and FDI inflows.

2.1.2 Competition

Within the investment and trade promotion space, development financing, and industrial estate development, the LNDC is in direct competition with a number of institutions in the region. Each institution has been assessed in terms of its incentive packages in manufacturing and agro-processing/agriculture. Most of them provide far better packages hence pose as a threat in the attraction of targeted investments.

2.1.2.1 Incentive packages

The incentive regime for Lesotho which LNDC has adopted has been generically designed and applies across the board regardless of the strategic nature of the investment at hand. For some years now, the package has not been reviewed to cater for the latest developments in various industries. Other competitors in the global market have reformed their packages and hence they have become more competitive as investment and sourcing locations. Therefore, LNDC should advocate for review of its incentive regime in line with its intended strategic direction going forward.

Benchmark of Incentive Regimes with Regional Competitors

The table below provides a benchmark of incentive regimes with regional competitors:

Institution	Key Products and Services		Other Key issues
	MANUFACTURING	AGRO-PROCESSING	
Angola Agency for Promotion of Investments and Exports (APIEX)	Special Development Zones Financing of factories by private sector and government	Agriculture a priority sector since 2015 No specific development and or funding strategy for the sector	Industrial tax 30% Tax for training 0.5% Social insurance 8% by employer
Botswana Investment and Trade Centre (BITC) Botswana Development Corporation (BDC)	Special Economic Zones Financing public, public-private partnerships Industrial Estates and Commercial property	BDC and (BITC) specifically prioritises Agriculture and is undertaking a P5b commercial project around the Zambezi Agriculture Hub has been set up to coordinate commercialisation	National branding institutionalised Dedicated unit for Export Development BDC provides loans of up to 10 years and equity
DRC National Agency for Investment Promotion (ANAPI)	Factory shells by government	No discernible commercial activity	
Madagascar National Development Board (EDBM)	Free zones Some private initiatives	Core activity (40% of the GDP) Strong financial support	5-year tax holidays manufacturing and processing, flexible labour laws
Malawi Investment and Trade Centre (MITC)	Factory shells by MITC	Other cotton, no discernible growth or funding strategy	No other competitive packages

PART II BACKGROUND AND CONTEXT cont.

Institution	Key Products and Services		Other Key issues
	MANUFACTURING	AGRO-PROCESSING	
Mauritius Board of Investment (BOI)	IDZ, SEZs by BOI	Targeted and structured	Tax incentives, repatriation of capital and profits
Mozambique Investment Promotion Centre (CPI)	Factory shells by government	Limited structured intervention	
Namibia Investment Centre (NIC)	IDZ, SEZ by government	Special targeted programmes, but limited financial commitments	
Seychelles Investment Bureau (SIB)	Factory shells by government, private sector	Long term financing by development bank BDS, but not targeted	Access by sea No exchange controls
Industrial Development Corporation (IDC) DTI	IDZ, SEZ by DTI And private investment	Targeted investment only at processing level	Debt and equity financing, sector
Swaziland Investment Promotion Authority (SIPA)	Factory space financed by government and private sector, including BOT arrangements	Core activity with government support	Close proximity to ports
Zambia Development Agency (ZDA)	MFEZs by government	No discernible, targeted intervention	Specific export development fund
Tanzania Investment Centre (TIC)	EPZ, SEZ by TIC	Other tax, no clear incentives	0% import duty in agriculture equipment VAT deferment on agriculture capital goods
Zimbabwe Investment Authority (ZIA)	Factory space by ZIA	Strong localisation, but no clear funding mechanism	No targeted interventions

Most of these agencies have moved into the direction of Special Economic Zones (SEZs) and/or free zones in providing factory space, mostly financed by the central governments. An important aspect is that the development of these SEZs is preceded by an enabling policy and legislative framework. In a few countries, the private sector is involved in the development of industrial/factory space.

While most of these agencies prioritize agriculture/processing, few countries appear to have either a compelling competitive strategy or development financing targeted towards the sector. Most significant investments and policy interventions in agriculture are in Botswana, South Africa and Mauritius. These countries also have developed insurance markets for the sector to unlock private capital and build resilience from catastrophic shocks, especially from the climate change.



2.2 INTERNAL ANALYSIS

2.2.1 Governance

The governance framework for the LNDC is provided by an Act of Parliament enacted in 1967. While there may have been two amendments in 1990 and 2000, the LNDC Act of 1967, as amended, is still outdated. Considerable strides have been made in governance best practice over the years. In recent years, the Act has been the main source of instability for the Corporation. Of great concern are the agency-principal ill-defined relationships, and the Civil Service dominance on appointments to the Board of Directors. This sometimes denies the Corporation the benefit to diversity of skill and experience, gender and industry expertise. The last challenge is the ambiguity of the Corporation's mandate in explicitly allowing the initiation, promotion and facilitation of regional, even global, investments in line with Lesotho Treaty obligations, and developments on free trade in goods, services and talent, as well as current regional and continental efforts on integration.

Thus, key challenges are:

- A statute that gives the Board of Directors “control and management” of the Corporation, effectively drawing the Board of Directors into routine operational matters best left to management.
- A statute that mandates “representative” members of the Board from the Civil Service, denying the Corporation a range of talent.
- Ambiguous mandate on regional and international investment

2.2.2 Realignment

The realignment process has dragged on for a long time without tangible benefits to the Corporation, its employees, creditors and donors, and more crucially, the customers being the investor/business community. There is still no certainty on the final organization design, the cost implications, and the effectiveness in delivery of the mandate.

The key challenge is the effect on staff morale, planning for training and development, performance management and understaffing as no vacant positions are being filled.

2.2.3 Business processes, regulations and policies

The Corporation’s core business of satisfying the investors/business community is bogged down by glaring inefficiencies in its business processes. These include:

- Procurement of goods and services,
- Projects appraisals
- Site/lease allocations
- Sublease management
- Maintenance
- Recruitment and selection

2.2.4 Finances

The Corporation enjoys a reasonably good cashflow stream from rental, dividend and investment income from its portfolio of companies to cater for its operations, though grossly insufficient to drive industrialization.

2.2.5 Review of Strategic Plan 2015-2017

The initiatives of the Strategic Plan 2015-2017 have been evaluated. Some initiatives have been successfully executed, others are in progress and are being carried forward. A few have been discontinued.

2.3 SWOT ANALYSIS

SWOT analysis weighs and synthesizes opportunities and threats from the external environment relative to the internal strengths and weaknesses.

Opportunities

- Strong export-oriented manufacturing sector
- National development plan and industrialization policy strongly support manufacturing and agro-processing sectors
- Strong demand for factory space
- Favorable climate conditions for agriculture
- Stable industrial relations
- Rising demand for food in cities as urbanization accelerates
- Water scarcity for agriculture in the region, especially South Africa, with vast tracts of land in need of irrigation.
- Global trends towards fresher, and organic foods

Threats

- Competitors develop SEZs with attractive incentives
- Land Act still limits foreign ownership
- Weak private sector
- Regional competitors diversifying aggressively
- Budget challenges at the Central Government
- Urbanization to put pressure on infrastructure
- Pressure to account for social and environmental impact of investments
- Technology and automation driving manufacturing and agriculture limited

Strengths

- Experience rolling out industrial infrastructure
- Experience developing and executing large scale projects
- Experience with packaging, structuring, or raising and managing multi-lateral financ-ing
- Strong cashflow and balance sheet; able to cover operational and some investment expenditures
- Solid experience with investment/trade promotion
- A mandate wide enough to ease investing bottlenecks, including the ability to acquire land
- Skilled and motivated workforce

Weaknesses

- Weak customer focus
- Poorly performing property portfolio
- Establishment Act; a major source of destabilization of the Corporation
- Short strategic planning horizons
- Prevalence of silo mentality and weak decision-making capacity
- Slow decision-making processes
- Limited development financing product portfolio
- Specialty knowledge of only one industry-textiles

PART III GOALS AND STRATEGIC OBJECTIVES

Goal 1

BUILDING CUSTOMER-CENTRIC CULTURE

- 1.1 Strategic Objective: Improve accessibility of the Corporation's products/services to investors/business community.
- 1.2 Strategic objective: Improve the speed and quality of decision-making (service delivery)
- 1.3 Strategic Objective: Improve the Corporation's and national image/brand to national and global stakeholders

Goal 2

INSTITUTIONALISE SUSTAINABLE AND IMPACT INVESTING WITHIN THE CORPORATION

- 2.1 Strategic Objective: Reduce negative environmental impact of LNDC's investments
- 2.2 Strategic Objective: Deepen social impact in LNDC's investments
- 2.3 Strategic Objective: Enhance the Corporation's financial sustainability

Goal 3

DIVERSIFY LESOTHO'S INDUSTRIAL OUTPUT AND MARKET DESTINATIONS

- 3.1 Strategic Objective: Initiate, promote and facilitate major investments into manufacturing and high-tech agro-processing industries and related supply chains.
- 3.2 Strategic objective: Expand productive capacities of both domestic and foreign export-oriented firms
- 3.3 Strategic Objective: Strengthen the market access for both domestic and foreign export-oriented firms

Goal 4

MOBILISE FUNDING FOR ECONOMIC DIVERSIFICATION

- 4.1 Strategic Objective: Design and set up special financial facilities/instruments to facilitate economic diversification
- 4.2 Strategic objective: Expand financial assistance to organizations and projects in furtherance of the Vision of the Corporation

Goal 5

DEVELOP THE RIGHT TALENT TO DRIVE ECONOMIC DIVERSIFICATION

- 5.1 Strategic Objective: Develop the managerial and technical talent to facilitate the Corporation's diversification initiatives





PART IV IMPLEMENTATION FRAMEWORK

GOAL 1: BUILDING CUSTOMER -CENTRIC CULTURE
1.1 Strategic Objective: Improve accessibility of the Corporation's products/services to investors/business community

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
1.1.1 Set up and implement customer relationship management infrastructure: <ul style="list-style-type: none"> □ Omni-channel contact center □ CRM application Online 	Established contact center (Call Center) with corporate wide CRM application in use Improved customer satisfaction by at least 50% in 2023	Corporate Services (PRIM, ICT)	Contact Centre commissioned Baseline Survey 10% improvement in customer satisfaction	35% improvement in customer satisfaction	40% improvement in customer satisfaction	45% improvement in customer satisfaction	50% improvement in customer satisfaction
1.1.2 Open regional offices (Advice Centers) in: <ul style="list-style-type: none"> □ North □ South 	Full-time/Mobile (Satellite) district offices opened Improved domestic investor participation by 50% in 2023	ITPA (IP)	Maputsoe	Mohale's Hoek	Mokhotlong	Thaba-Tseka	Mafeteng

GOAL 1: BUILDING CUSTOMER -CENTRIC CULTURE							
1.1 Strategic Objective: Improve accessibility of the Corporation's products/services to investors/business community							
Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
1.1.3 Open international offices in: <ul style="list-style-type: none"> □ China/India □ South Africa □ South America/Brazil □ Europe □ Mid-East/Dubai 	Full-time international offices opened Improved foreign direct investments in diversified areas	ITPA (IP)	Explore use of diaspora as ambassadors in trade and investment promotion (Diaspora engagement strategy)	Roll out of Diaspora strategy	Middle East	South America/ Brazil	South Africa China/India Europe

GOAL 1: BUILD CUSTOMER-CENTRIC CULTURE
1.2 Strategic Objective: Improve the speed and quality of decision making (Service Delivery)

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
1.2.1 Initiate Lean business process transformation <input type="checkbox"/> Training <input type="checkbox"/> Lean Management	Proportion of Exco staff trained on lean and Six sigma certified management	Corporate Services (PRIM, HR)	50% of Exco staff Yellow Belt certified	100% of Exco staff Yellow Belt certified	50% of Exco staff Green Belt certified	50% of Exco staff Green Belt certified	At least 1 x Exco staff Black Belt certified
	Proportion of Middle management staff trained on lean Six sigma certified		25% of Middle Management Staff Yellow Belt certified	50% of Middle Management Staff Yellow Belt certified	25% of Middle Management Staff Green Belt certified	25% of Middle Management Staff Green Belt certified	At least 2 x Middle Management Staff Black Belt certified
	Proportion of General staff trained in Six sigma certified		10% of General staff Yellow Belt certified	20% of General staff Yellow Belt certified	10% of General staff Green Belt certified	10% of General staff Green Belt certified	At least 5 x of General staff Black Belt certified
	Continuous Improvements in service delivery		10% improvement in response times in selected core processes	35% improvement in response times in selected core processes	40% improvement in response times in selected core processes	45% improvement in response times in selected core processes	50% improvement in response times in selected core processes
	Improved corporate performance		Design corporate performance management system (PMS)	Pilot test PMS	Implement PMS	Review PMS	Implement PMS

GOAL 1: BUILD CUSTOMER-CENTRIC CULTURE

1.2 Strategic Objective: Improve the speed and quality of decision making (Service Delivery)

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
1.2.2 Conduct business process re-engineering (BPR) and enterprise architecture (EA) across all SBUs activities, processes and infrastructure	Customer satisfaction survey reports	Corporate Services (PRIM, ICT)	Develop enterprise architecture				
	Enterprise architecture in place		50% x Core systems installed and integrated	75% x Core systems installed and integrated	100% x Core systems installed and integrated	Maintenance and support of systems	Maintenance and support of systems
	Improved business processes and systems						
	Improvement in customer satisfaction		10% improvement in customer satisfaction	35% improvement in customer satisfaction	40% improvement in customer satisfaction	45% improvement in customer satisfaction	50% improvement in customer satisfaction

GOAL 1: BUILD CUSTOMER-CENTRIC CULTURE

1.3 Strategic Objective: Improve the Corporation's and national image/brand to national and global stakeholders

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
1.3.1 Develop advocacy model on trade and investment to support LNDC mandate	Trained staff	ITPA	5 x Staff members trained on ICR advocacy	5 x Staff members trained on ICR advocacy	5 x Staff members trained on ICR advocacy	5 x Staff members trained on ICR advocacy	5 x Staff members trained on ICR advocacy
	Advocacy Model						
	Investment Climate (ICR) survey reports		Investment Climate Reform advocacy program	10% improvement in selected core ICR indicators	15% improvement in selected core ICR indicators	20% improvement in selected core ICR indicators	25% improvement in selected core ICR indicators
	Improved competitiveness						

GOAL 1: BUILD CUSTOMER-CENTRIC CULTURE

1.3 Strategic Objective: Improve the Corporation's and national image/brand to national and global stakeholders

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
1.3.2 Develop stakeholder engagement/management Model	Improvement in LNDC Corporate Brand	ITPA	Develop LNDC Corporate Brand identity	10% improvement in LNDC corporate brand perception 5% improvement in Lesotho's brand perception	15% improvement in LNDC corporate brand perception	25% improvement in LNDC corporate brand perception	30% improvement in LNDC corporate brand perception
	Improvement in National Brand perceptions		Develop Lesotho National Brand identity	10 x Public private dialogue	10% improvement in Lesotho's brand perception	15% improvement in Lesotho's brand perception	20% improvement in Lesotho's brand perception
	Stakeholder perceptions survey (Improved stakeholder perceptions)		Develop public private dialogue program		10 x Public private dialogue	10 x Public private dialogue	10 x Public private dialogue
	LNDC-LTDC-BEDCO engagement strategy		Develop LNDC-LTDC-BEDCO engagement strategy				

GOAL 1: BUILD CUSTOMER-CENTRIC CULTURE

1.3 Strategic Objective: Improve the Corporation's and national image/brand to national and global stakeholders

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
1.3.3 Strengthen aftercare services across all SBUs	Aftercare Model	ITPA (Aftercare Services)	Develop Aftercare Model				
	Improved industrial relations		Develop Industrial Relations Model				
	Improved customer satisfaction		Baseline customer satisfaction survey	5% improvement in customer satisfaction	10% improvement in customer satisfaction	15% improvement in customer satisfaction	20% improvement in customer satisfaction

GOAL 2: INSTITUTIONALISE SUSTAINABLE AND IMPACT INVESTING WITHIN THE CORPORATION

2.1 Strategic Objective: Reduce negative environmental impact of LNDC's investments

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
2.1.1 Adopt international sustainability reporting standards in annual reports <ul style="list-style-type: none"> □ Energy usage □ Water usage □ Industrial waste management 	Annual sustainability reports	Corporate Services (PRIM, HR)	Sustainability compliance program established	Annual Sustainability report	Annual Sustainability report	Annual Sustainability report	Annual Sustainability report
	Improved compliance		100% EXCO trained and 50% x senior managers trained	75% x senior managers trained	100% x senior managers trained		
	Trained staff		50% x PRIM staff trained	75% x PRIM staff trained	100% x PRIM staff trained		
2.1.2 Adopt international integrated reporting in annual reports	Annual Integrated reports	Corporate Services (PRIM)	Implementation plan	Annual Integrated report	Annual Integrated report	Annual Integrated report	Annual Integrated report
	Improved compliance						

GOAL 2: INSTITUTIONALISE SUSTAINABLE AND IMPACT INVESTING WITHIN THE CORPORATION
2.1 Strategic Objective: Reduce negative environmental impact of LNDC's investments

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
2.1.3 Facilitate board and staff training on Integrated Reporting	Trained board of directors and staff	Corporate Services (PRIM, Finance)	100% x Board trained			100% x New Board trained	
	Improved compliance		100% EXCO trained and 50% x senior managers trained	75% x senior managers trained	100% x senior managers trained		
			50% x PRIM staff trained	75% x PRIM staff trained	100% x PRIM staff trained		
2.1.4 Develop industrial and agro-industrial waste management infrastructure solutions	Industrial waste management infrastructure Model	PD&M (PM)	Develop industrial waste management plan	Sites identified and secured	Industrial management infrastructure construction commenced	Industrial waste management infrastructure construction completed	
	Agro-industrial waste management model		Develop Agro-industrial waste management plan	Sites identified and secured	Agro-industrial waste management infrastructure construction commenced	Agro-industrial waste management construction completed	
			Pre-treatment infrastructure model				

GOAL 2: INSTITUTIONALISE SUSTAINABLE AND IMPACT INVESTING WITHIN THE CORPORATION

2.2 Strategic Objective: Deepen social impact in LNDC's investments

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
2.2.1 Develop and implement out grower model projects for agro-processing and related supply chains	Documented out grower model for community associations and cooperatives Out grower model implemented in at least 11 major agro-processing projects	ITPA (IP), Development Finance	Out-grower model designed	Out-grower model implemented in 5 x agro-processing projects	Out grower model implemented in 2 x agro-processing projects	Out grower model implemented in 2 x agro-processing projects	Out grower model implemented in 2 x agro-processing projects
2.2.2 Development of governance guidelines for out grower models	Governance manuals and implementation practice guides for community associations and cooperatives Governance survey reports on community projects	Corporate Services (Legal)	Governance manuals and implementation practice guides for community associations and cooperatives developed	Governance manuals and practice guides adapted to 5 x agro-processing projects	Governance manuals and practice guides adapted to 2 x agro-processing projects	Governance manuals and practices guides adapted to 2 x agro-processing projects	Governance manuals and practice guides adapted to 2 x agro-processing projects

GOAL 2: INSTITUTIONALISE SUSTAINABLE AND IMPACT INVESTING WITHIN THE CORPORATION
2.2 Strategic Objective: Deepen social impact in LNDC's investments

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
2.2.2 Mainstream social impact programs in all projects	Exit strategy on legacy investments in place	Development Finance	Develop Exit Strategy for legacy investments	1 x LNDC subsidiaries listed on Maseru Securities Exchange	2 x LNDC subsidiaries listed on Maseru Securities Exchange	2 x LNDC subsidiaries listed on Maseru Securities Exchange	1 x LNDC subsidiaries listed on Maseru Securities Exchange
	Number of annual Investment Deals involving equity participation by rural communities		5 x Deals concluded	2 x Deals concluded	2 x Deals concluded	2 x Deals concluded	
	Total annual Deal Size (capital committed) involving equity participation by rural communities		M800m worth of deals concluded	M2.5bn worth of deals concluded	M1.5bn worth of deals concluded	M1.5bn worth of deals concluded	
	Number of Basotho households benefiting		125 Basotho households benefitting from LNDC agro-processing related programs	750 Basotho households benefitting from LNDC agro-processing related programs	875 Basotho households benefitting from LNDC agro-processing related programs	1000 Basotho households benefitting from LNDC agro-processing related programs	
	11,000 people benefiting		500 people benefiting	3,000 people benefiting	3,500 people benefiting	4,000 people benefiting	



GOAL 2: INSTITUTIONALISE SUSTAINABLE AND IMPACT INVESTING WITHIN THE CORPORATION
2.3 Strategic Objective: Enhance Corporation's financial sustainability

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
2.3.1 Mobilize external financial resources to support programmed projects	Proportion of financial resources mobilized externally for project preparation	Development Finance	15% of external resources mobilized	25% of external resources mobilized	50% external resources mobilized	75% external resources mobilized	100% external resources mobilized
	Number of grants and credit lines/windows for project financing accessible from development partners		5	7	9	11	13

GOAL 3: DIVERSIFY LESOTHO'S INDUSTRIAL OUTPUT AND MARKET DESTINATIONS

3.1 Strategic Objective: Initiate, promote, and facilitate major investments in manufacturing and high-tech agro-processing and related supply chains

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
3.1.1 Initiate, facilitate and promote manufacturing and high-tech agro-processing and related supply chains in: <ul style="list-style-type: none"> <input type="checkbox"/> Poultry <input type="checkbox"/> Dairy <input type="checkbox"/> Piggery <input type="checkbox"/> Fisheries/Aquaculture <input type="checkbox"/> Fruit/Vegetables 	Bankable projects	ITPA (IP)	3 x agro-projects prepared to bankability	2 x agro-projects prepared to bankability	2x agro-projects prepared to bankability	2x agro-projects prepared to bankability	
	Companies established		5 x agro companies initiated	2x agro-companies initiated	2x companies initiated	2x companies initiated	
	Growth of organic food niche industry			Product mapping for international organic food markets	Capacity building of commercial farmers for organic food export market	Capacity building of commercial farmers for organic food export market	Capacity building of commercial farmers for organic food export market
	At least 12,000 jobs created		500 jobs created	3000 jobs created	3500 jobs created	4000 jobs created	

GOAL 3: DIVERSIFY LESOTHO'S INDUSTRIAL OUTPUT AND MARKET DESTINATIONS

3.1 Strategic Objective: Initiate, promote, and facilitate major investments in manufacturing and high-tech agro-processing and related supply chains

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
3.1.2 Facilitate the setting up of the national agricultural (catastrophic) insurance for livestock and crops	Insurance coverage for commercial farmers in place	Corporate Services (Legal)	Insurance product design and development	Basic national agriculture insurance developed			
				Increased insurance coverage for commercial farmers (10%)	Increased insurance coverage for commercial farmers (25%)	Increased insurance coverage for commercial farmers (35%)	Increased insurance coverage of for commercial famrrers (0%)

GOAL 3: DIVERSIFY LESOTHO'S INDUSTRIAL OUTPUT AND MARKET DESTINATIONS

3.1 Strategic Objective: Initiate, promote, and facilitate major investments in manufacturing and high-tech agro-processing and related supply chains

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
3.1.3 Initiate, promote, and facilitate the establishment of agro-industrial parks: <input type="checkbox"/> Transfrontier <input type="checkbox"/> National	Transfrontier agro-industrial park between RSA and Lesotho	ITPA	Concept Note on the Development of the transfrontier agro-industrial park between RSA and Lesotho	National policy, legislation and regulations on special economic zones developed	Feasibility study on transfrontier agro-industrial park	Feasibility study on transfrontier agro-industrial park completed	Construction of the transfrontier agro-industrial park begins
	Lesotho agro-industrial park as a Special Economic Zone (SEZ)		Concept Note on the Development of agro-industrial Special economic zones	Bilateral agreement on the establishment of transfrontier agro-industrial park signed	Feasibility study on the national agro-industrial special economic zone completed	Construction of national agro-industrial special economic zone begins	Construction of national agro-industrial special economic zone ends

GOAL 3: DIVERSIFY LESOTHO'S INDUSTRIAL OUTPUT AND MARKET DESTINATIONS
3.2 Strategic Objective: Expand productive capacities of both domestic and foreign export-oriented firms

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
3.2.1 Promote development of industrial estates at: <input type="checkbox"/> TY <input type="checkbox"/> Mokhotlong	TY industrial sites completed Mokhotlong industrial sites completed	PD&M (PM)	Feasibility studies <input type="checkbox"/> Commercial <input type="checkbox"/> Technical		Construction commenced	TY industrial estate completed	Mokhotlong industrial estate completed
3.2.2 Oversee implementation of ongoing strategic projects (Belo, Tikoe)	Belo and Tikoe industrial estates completed	PD&M	Belo Construction commenced	Construction and supervision Tikoe construction commenced	Belo construction completed Tikoe construction and supervision	Tikoe construction completed	Maintenance ongoing
3.2.3 Develop export skills training for LNDC staff and selected export-oriented firms	Trained LNDC staff, regular training for selected firms staff.	ITPA (IP)	Training manuals developed	10% LNDC staff trained 10% Firms trained	20% LNDC staff trained 20% Firms trained	30% LNDC staff trained 30% Firms trained	40% LNDC staff trained 40% Firms trained

GOAL 3: DIVERSIFY LESOTHO'S INDUSTRIAL OUTPUT AND MARKET DESTINATIONS

3.2 Strategic Objective: Expand productive capacities of both domestic and foreign export-oriented firms

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
3.2.4 Develop industry co-training skills programme with export-oriented firms	Trained LNDC staff, regular training for selected firms staff.	ITPA (IP)	Training manuals developed	10% LNDC staff trained	20% LNDC staff trained	30% LNDC staff trained	40% LNDC staff trained
			Programs developed	10% Firms trained	20% Firms trained	30% Firms trained	40% Firms trained
3.2.5 Productivity training for Basotho export-oriented firms	Trained LNDC staff, regular training for selected firms staff.	ITPA (IP)	Training manuals developed	10% Firms trained	20% Firms trained	30% Firms trained	40% Firms trained
3.2.6 Facilitate Linkages and skills transfer Programs between Basotho owned firms and multinationals	Established linkages	ITPA	Linkages program developed	10% firms linked	20% firms linked	30% firms linked	40% firms linked
	Skills transferred						

GOAL 3: DIVERSIFY LESOTHO'S INDUSTRIAL OUTPUT AND MARKET DESTINATIONS
3.3 Strategic Objective: Strengthen the market access for both domestic and foreign export-oriented firms

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
3.3.1 Establish national agricultural market infrastructure	Industrial scale fresh produce market in place Trained and certified fresh produce market agent companies Improved market access	ITPA (IP)	Infrastructural improvements of Tikoe fresh produce market centre 5x market agents identified and trained	Expansion of Tikoe fresh produce market centre 5x market agents identified and trained	Expansion of Tikoe fresh produce market centre 5x market agents identified and trained	5 x market agents identified and trained	5x market agents identified and trained
3.3.2 Generate market access knowledge databank	Market valuation reports Improved market intelligence Partner network established	Corporate Services (PRIM)	Conduct competition analysis Conduct consumer and market analysis Establish Partner network	Knowledge management framework Partner network established	Up-to-date knowledge management platform	Up-to-date knowledge management platform	Up-to-date knowledge management platform

GOAL 3: DIVERSIFY LESOTHO'S INDUSTRIAL OUTPUT AND MARKET DESTINATIONS

3.3 Strategic Objective: Strengthen the market access for both domestic and foreign export-oriented firms

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
3.3.3 Provide market access support	Improved global market access	ITPA (IP)					
	Growth of agro-products entering new markets		New & established markets (5%)	New markets (5%)	New markets (10%)	New markets (20%)	New markets (30%)
	Growth of non-agro products entering new and established markets		New & established markets (5%)	New & established markets (5%)	New & established (10%)	New & established markets (10%)	New & established markets (15%)

GOAL 4: MOBILISE FUNDING FOR ECONOMIC DIVERSIFICATION
4.1 Strategic Objective: Design and set up special financial facilities/instruments to facilitate economic diversification

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
4.1.1 Establish a Project Preparation Facility (PPF)	A Project Preparation Facility set up and resourced	Development Finance	Consultant appointed Project Preparation Facility established 15% resourced	30% resourced	50% resourced	70% resourced	100% resourced
4.1.2 Establish an equity fund	Equity fund operational and resourced	Development Finance	Consultant appointed Equity fund established	30% resourced	50% resourced	70% resourced	100% resourced
4.1.3 Expand the partial credit guarantee scheme	Expanded coverage of PCG scheme (100%) Improved access to finance	Development Finance	Consultant appointed PCG Model refined	Expansion of PCG (25%)	Expansion of PCG (50%)	Expansion of PCG (70%)	Expansion of PCG (100%)
4.1.4 Design an incentive package for private capital participation in: <input type="checkbox"/> Development of factory shells <input type="checkbox"/> Development of LNDC commercial sites	Private development of industrial Estates and commercial sites with bankable business-plans	Development Finance	3x industrial and commercial sites leased to private development	5 x industrial and commercial sites leased to private development	5 x industrial and commercial sites leased to private development	5 x industrial and commercial sites leased to private development	5 x industrial and commercial sites leased to private development

GOAL 4: MOBILISE FUNDING FOR ECONOMIC DIVERSIFICATION

4.1 Strategic Objective: Design and set up special financial facilities/instruments to facilitate economic diversification

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
4.1.4 Design an incentive package for private capital participation (cont.)	<p>Incentive package for private development industrial and commercial</p> <p>Improved industrial and commercial infrastructure capacity</p>		Incentive package for private sector development of industrial estates and commercial LNDC sites completed				

GOAL 4: MOBILISE FUNDING FOR ECONOMIC DIVERSIFICATION
4.2 Strategic Objective: Expand financial assistance to organizations and innovative projects in furtherance of the Vision of the Corporation

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
4.2.1 Set up a quasi-equity facility as risk capital for: <input type="checkbox"/> Innovative product or business model developments	Innovation Fund in place (concept refined)	Development Finance	Business model developed	25% resourced	50% resourced	70% resourced	100% resourced
	Improved access to finance by innovative, but risky ventures in manufacturing and agro-processing		3 projects supported	5 projects supported	10 projects supported	15 projects supported	25 projects supported
4.2.2 Facilitate the setting up of short term supply chain finance unit by/in partnership with the private sector	Private sector led Supply Chain Finance facility established as a separate legal entity.	Development Finance	Supply Chain Finance facility redefined	Supply Chain Finance Facility established			
	Improved access to finance			30% resourced	40% resourced	50% resourced	100% resourced

GOAL 5: DEVELOP THE RIGHT TALENT TO DRIVE ECONOMIC DIVERSIFICATION

5.1 Strategic Objective: Develop the managerial and technical talent to facilitate the Corporation's diversification initiatives

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
5.1.1 Set up a revolving Talent Fund for: <input type="checkbox"/> Talent within LNDC <input type="checkbox"/> Talent outside LNDC	Talent Fund	Corporate Services (HR)	Consultant appointed	30% selected LNDC staff supported	40% selected LNDC staff supported	50% selected LNDC staff supported	60% selected LNDC staff supported
			Talent Fund set up	30% selected non-LNDC staff supported	40% selected non-LNDC staff supported	50% selected non-LNDC staff supported	60% selected non-LNDC staff supported
5.1.2 Facilitate technical and professional industry-specific training in manufacturing and agro-processing related courses.	Selected candidates trained in industry-specific operational courses	Corporate Services (HR)	Courses identified	50% selected LNDC staff trained	60% selected LNDC staff trained	70% selected LNDC staff trained	80% selected LNDC staff trained
	Improved corporate governance		Train Board and management on "Introduction to Board Directorship and Governance"	Roll out Board Training on Chartered Directorship: Being a Director Part 1 Train Corporate Secretary on Chartered Secretary course (2 people)	Being a Director Part 2	Being a Director Part 3	Being a Director Part 4

GOAL 5: DEVELOP THE RIGHT TALENT TO DRIVE ECONOMIC DIVERSIFICATION
5.1 Strategic Objective: Develop the managerial and technical talent to facilitate the Corporation's diversification initiatives

Strategic Initiatives	Performance Indicator	Responsible	2018	Targets			
				2019	2020	2021	2022
5.1.3 Brand LNDC as the employer of choice	HR Development Plan	Corporate Services (HR)	Develop HR development plan	Improved staff welfare (10%)	Improved staff welfare (15%)	Improved staff welfare (20%)	Improved staff welfare (25%)
	Improved staff welfare Staff Wellness Program		Review staff welfare conditions	Adopt Total Cost to Company model			



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50 YEARS OF BUILDING INDUSTRY