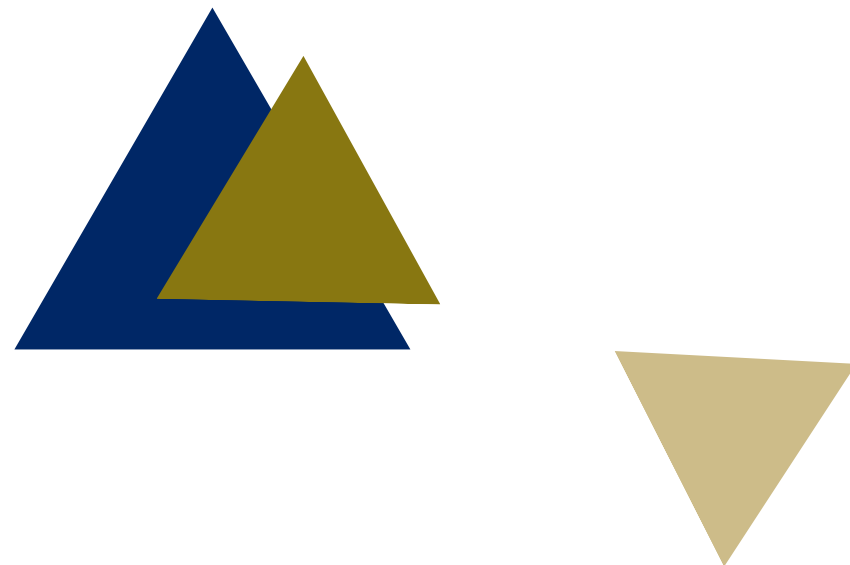




STRATEGIC PLAN REVIEW

2022-23

OUTLINE



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Dr. Francis T Sefali

Chairman of the Board of Directors

A handwritten signature in dark ink, appearing to read 'F. Sefali', written in a cursive style.

FOREWORD BY THE CHAIRPERSON

The Lesotho National Development Corporation (LNDC) facilitated review of its strategy in line with best practice after three-year implementation of the 2018-2023 strategic plan. As guided by the National Strategic Development Plan II, the corporate strategy focuses on two sectors namely manufacturing and agriculture. The remaining year of the strategic plan offers the opportunity to register and reflect on key successes and challenges, and to inform subsequent focus for the next strategy.

The Government of Lesotho continues to support the Corporation through laying the foundation for a conducive investment climate and requisite incentives to attract investors. The LNDC will strengthen advocacy initiatives in support of the programmed activities and establish and maintain the necessary linkages to facilitate implementation of those activities. Furthermore, in the advent of the Covid-19 and its impact on the industry, the need for LNDC's strategy review was inevitable. The Board undertakes that the Corporation shall resume its responsibility as an engine of growth entrusted to facilitate job creation and wealth generation. Therefore, the mandate of the Corporation has guided this strategic review and activity programming.

The core objective of the review was to reinforce implementation, having learnt from previous experience, and propel the Corporation forward from an informed vantage point to deliver on its mandate. The Board therefore pledges support to the Corporation's management to facilitate meaningful impact on the economy, particularly in the context of the existing socio-economic challenges ranging from high unemployment, food insecurity and non-inclusive wealth status.



Adv. Molise Ramaili

Interim Chief Executive Officer

MESSAGE BY THE CEO

The Lesotho National Development Corporation, like many other institutions, had to bear the brunt of the adverse effects of Covid-19. The effects were particularly hard hitting because of the counter effect it had on the strides LNDC had made in creating jobs for thousands of Basotho in the manufacturing industry. The Corporation has also struggled to register meaningful contribution due to the ongoing realignment exercise which started in 2015 and shortage of human resources/capital following headcount freeze in 2016.

Therefore, the mid-term review exercise on the strategy called for extensive introspection on the registered performance and the need to refocus on low hanging fruits to facilitate among other things, the aggressive localisation of the manufacturing industry and commercialisation of the agriculture industry. Furthermore, the Corporation considered venturing into other strategic areas that hold potential to contribute meaningfully to an inclusive and diverse economic growth such as the mining industry, wool and mohair as well as research and innovation. Moreover, LNDC also intends to facilitate initiatives geared to improve indigenous private sector participation and intergenerational wealth creation for beneficiaries of earmarked projects. In addition, the Corporation will pursue capacity building in strategic skills required to support these planned activities.

The Corporation under the leadership of the Executive Management continues to pledge its commitment to retain existing investments and harness experience gained, particularly in the textiles industry. It further endeavours to tap into niche opportunities in the high-fashion industry, especially in strategic markets such as the EU. Although the current review covers one financial year 2022/23, the vision of the Corporation is to program activities that build momentum towards the next strategy. Therefore, the majority of the projects will involve preparatory work for projects to be rolled out in the next strategy period. This review is also intended to increase diverse involvement into multiple non-traditional sectors in which the Corporation's trajectory was not considering before, such as automotive components manufacturing, high end electronics as well as engagements with the private sector through our newly launched Strategic Business Unit (SBU), namely Development Finance, which has products aimed at developing and supporting the private sector with financial products that will provide some relief to the financial constraints experienced by the private sector due to the Covid-19 pandemic in the past two years.

PART I STRATEGIC INTENT

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”

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

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



PART I STRATEGIC INTENT (cont.)

1.5 DESCRIPTION OF THE BUSINESS

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 and trade promotion
- Investment facilitation
- Property development and management
- Investment incentives
- Development Finance



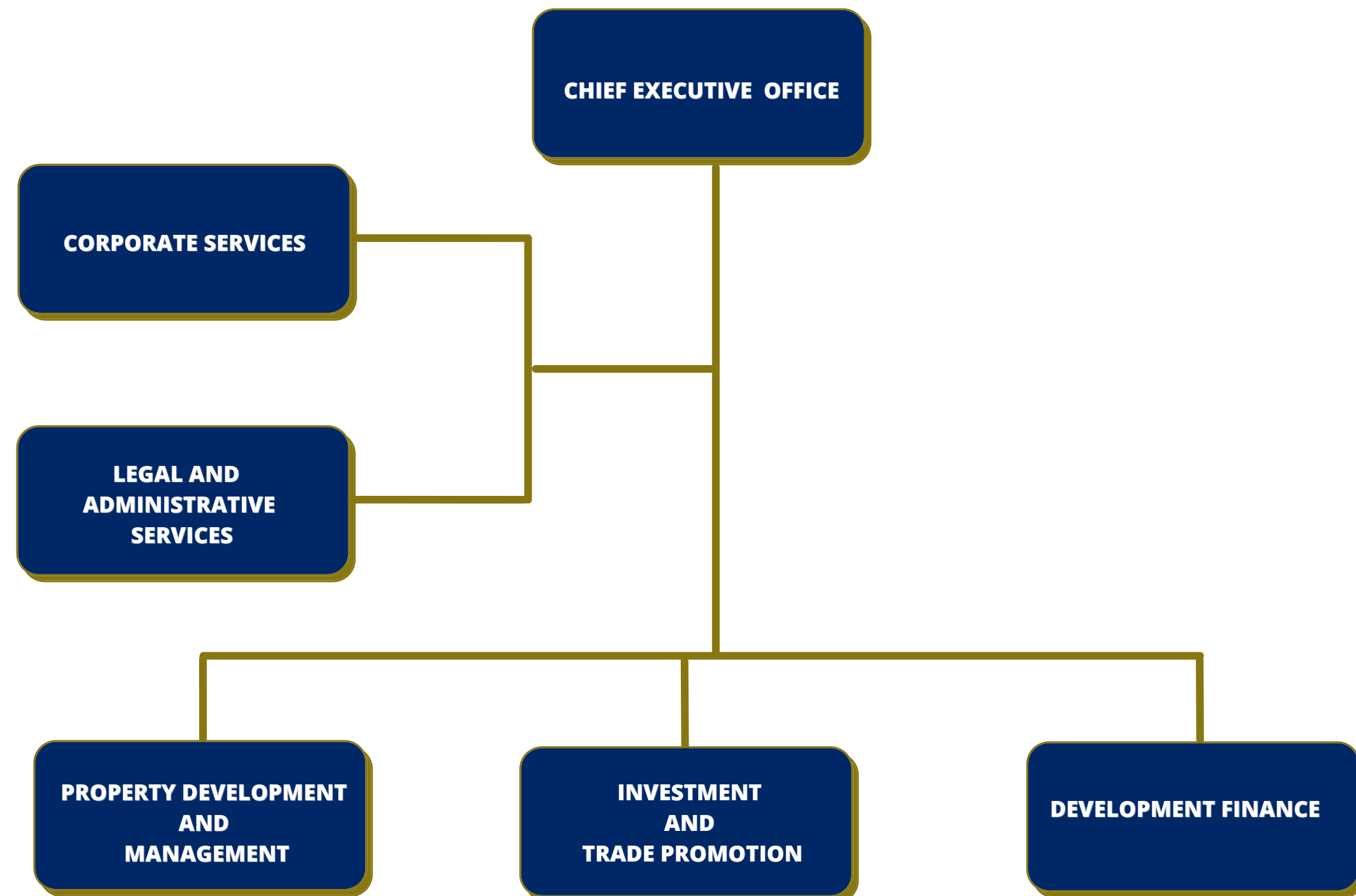
1.5.1 LNDC Structure

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.

1.5.2 The LNDC Organizational Structure

The Corporation has five strategic business units namely :

- ***Development Finance Institution***
- ***Property Development and Management***
- ***Investment and Trade Promotion***
- ***Corporate Services***
- ***Legal and Administrative Services***



PART II BACKGROUND AND CONTEXT

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/digitalisation 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 digitalisation are emerging across many sectors, particularly manufacturing. Consumer expectations and the advent of connected devices and platforms are driving the persistent digitalisation of the manufacturing. This is becoming a competitive imperative for LNDC to adopt and adapt to such changes 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 creating sustainable, shared value through the triple bottom line by balancing the impacts on the general economy, society and the environment. Environmental impact by LNDC industrial engagement should therefore align to this 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 unpredictable 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 several 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. LNDC has created a unit on Investment Climate Reforms to assist the Corporation to fully advocate for review of incentive regime in line with its strategic direction.

2.1.3 Growing uncertainties and risks

In 2019, the world experienced uncertainties attributed to the emergence of a global pandemic, Covid-19 which halted global travel movements and trade. Lesotho, like other countries of the world, was not exception. Industrial disruptions resulting in company closures, retrenchments and workers being placed on short time were encountered. Furthermore, the US-China trade war has resulted in unstable trade policy environment in the US, affecting AGOA-dependent firms operating in Lesotho. Therefore, these external shocks and many others, have affected the industrial operations adversely.

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.

LNDC must therefore aggressively advocate and support initiatives that will improve Lesotho's competitiveness.

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:

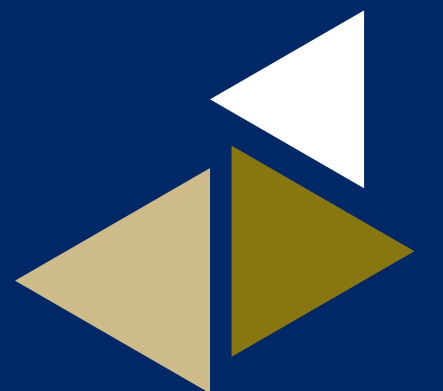
- A statute that gives the Board of Directors "control and management" of the Corporation, effectively drawing the Board of Directors into routine operational matters best left to management.
- A statute that mandates "representative" members of the Board from the Civil Service, denying the Corporation 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 exercise has brought the following challenges:

- Demoralization of staff,
- Freezing of staff training and development,
- Lack of performance management, and
- Understaffing because of headcount freeze.



2.2 INTERNAL ANALYSIS (cont.)

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. The current Covid-19 has affected negatively on the Corporation's cash flow, but the Corporation is still in good standing.

2.2.5 Mid-Term Review of Strategic Plan 2018-2023

The initiatives of the Strategic Plan 2018-2023 have been reviewed in line with best practice and in consideration of the emerging uncertainties. Some initiatives have been successfully executed, others are in progress and are being carried forward. A few have been discontinued.

The review identified challenges that impacted implementation of the strategy challenges including limited capital finance, unrealistic targets, inadequate regulatory act, implementation of multiple capital-intensive projects at the same time, weak contracts management, and Covid-19 pandemic.

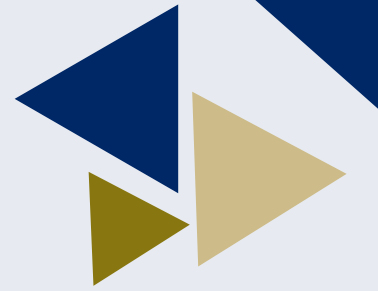
To manage these challenges, the Corporation plans to fast-track implementation of the new systems (internal business processes and systems), optimize operational efficiency, facilitate regular review of progress, put in place Performance Management System (PMS), engage strategic partners to source technical and financial support, reduce the projects scale and implement manageable operations in the same sectors identified.

2.3 SWOT ANALYSIS

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

STRENGTHS	THREATS
<ul style="list-style-type: none">• Experience in rolling out industrial infrastructure• Experience in developing and executing large scale projects• Experience in packaging, structuring, or raising and managing multi-lateral financing• 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	<ul style="list-style-type: none">• Covid-19 pandemic• 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
OPPORTUNITIES	WEAKNESSES
<ul style="list-style-type: none">• Strong export-oriented manufacturing sector• National development plan and industrialization policy strongly support manufacturing and agro-processing sectors• Strong demand for factory space• Favourable 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 tracks of land in need of irrigation.• Global trends towards fresher, and organic foods	<ul style="list-style-type: none">• 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 agriculture limited

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: Adopt international integrated reporting standards
- 2.2 Strategic Objective: Deepen social impact in LNDC's investments
- 2.3 Strategic Objective: Enhance Corporation's financial sustainability

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
- 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 innovative 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

The background image shows a hand holding a tablet computer. The tablet screen displays a stylized green leaf icon in the center, surrounded by concentric teal circles. Various agricultural icons are overlaid on the scene: a sun in a circle at the top left, water droplets in a circle at the top right, and insects in a circle at the bottom left. A network of white dots connected by dashed lines is visible in the bottom left corner. The background is a blurred field of rice plants with golden-brown stalks and green leaves.

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	Strategic Activities	Performance Indicator	Implementing Unit	Targets		
				2021	2022	2023
1.1.1: Implementation of the Omni-channel contact centre	Revamp LNDC website	Website re-launched	CS *IT *PR		Website re-launched	
	Enhanced use of social media channels	Social media performance report			Social media platforms boosted	
	Facilitate digital media training	Number of people trained			2 people	
	Enhance reception services	Customer-centric Point-of-contact	CS *IT *PR *PDM		Functional Reception	
1.1.2: Open regional offices (Advice Centers) in: • North • Maseru • South	Design Regional Offices structure and Job profiles	Approved structure and Job profiles	CS *DF *CS-HR *PDM *ITP *PR	Approved structure and Job profiles		
	Resource North and Maseru with Personnel	Percentage of Personnel resourced in North and Maseru			100%	
	Capacity building for regional staff	Percentage of trained Staff for the North and Maseru Offices			100%	
		Percentage of trained Staff for the South Offices				100%
	Establish a functioning Advice Centre in the South	A functional Advice Centre in the South			Identified and completed agreement on the office space	Fully established office

GOAL 1: BUILDING CUSTOMER -CENTRIC CULTURE (cont.)

1.1 Strategic Objective: Improve accessibility of the Corporation’s products/services to investors/business community (cont.)

Strategic Initiatives	Strategic Activities	Performance Indicator	Implementing Unit	Targets		
				2021	2022	2023
1.1.3: Undertake Training of Lesotho Diplomats and the entire LNDC staff in Investment and Trade Promotion, nation brand and other LNDC services (US, Middle East, Asia, RSA)	Formalise the diplomatic mission involvement in trade and investment	Signed MOU with Ministry of Foreign Affairs	ITP		MOU signed	
	Source technical assistance for training.	Technical Assistance agreement in place			Technical Assistance agreement in place	
	Design training manuals	Signed Consultancy Contract(s)			Signed Consultancy Contract	
		Training manuals in place			Training manuals in place	
	Design and Implement Training Program	Training Program in place			Training Program in place	
		Percentage of Diplomats trained			100%	
		Percentage of LNDC staff trained			100%	
		Percentage of Diplomats trained in refresher				100%
		Percentage of LNDC staff trained in refresher				100%
	Refresher training program					

GOAL 1: BUILDING CUSTOMER -CENTRIC CULTURE (cont.)

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

Strategic Initiatives	Strategic Activities	Performance Indicator	Implementing Unit	Targets		
				2021	2022	2023
1.2.1: Implementation of enterprise resource planning	Procure enterprise resource planning	System in Place	CS *IT *PR	Resource Mobilisation for Acquisition of ERP system	Acquisition and implementation of ERP system	
1.2.2: Facilitate Business Process efficiency	Train Staff on • Project Management	Percentage of Staff trained on project management	CS *HR		100%	
1.2.3: Implementation of Performance Management System	Design and Implement PMS: • Corporate PMS • Individual PMS	Corporate PMS in place	CS *HR Planning & Research	Identification of Service Provider	Corporate PMS in place	
		Individual PMS in place			Individual PMS in place	
	Design and implement M&E System	Corporate M&E System in place	CS *Planning & Research		Corporate M&E System	
		Project M&E System in place			Project M&E System	
1.2.4: Implementation of Knowledge and information system and library	Develop information management policy	Policy in place	CS *IT	Policy Approved		
	Design and implement Information Management System	System in Place	CS *IT		Implement system	
	Establish a library	Library in place	CS *IT *PR *PDM		Library in Place	
	Training	Percentage of staff trained			100% trained	

GOAL 1: BUILDING CUSTOMER -CENTRIC CULTURE (cont.)

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

Strategic Initiatives	Strategic Activities	Performance Indicator	Implementing Unit	Targets		
				2021	2022	2023
1.2.5 Facilitate corporate sustainability	Develop business continuity policy	Risk Management Framework approved	CS *Planning & Research		Risk Management Framework	
		Business continuity policy in place			Business continuity policy	Rollout
		Contingency Plan in place			Contingency Plan	Rollout

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

1.3.1: Develop advocacy model on trade and investment to support LNDC mandate	Develop stakeholder engagement and management plan for proactive participation	Stakeholder engagement and management plan in place	ITP		Stakeholder engagement and management plan in place	
1.3.2: Implementation of Lesotho Nation Brand Strategy	Develop the Nation Brand positioning platform and Creative elements/website	Nation Brand positioning platform and Creative elements/website in place	ITP		Nation Brand positioning platform and Creative elements/ website in place	
	Review and Activate Nation Brand Action Road Map	Nation Brand Action Road Map reviewed and activated			Nation Brand Action Road Map activated	
	Develop and implement Monitoring and Evaluation framework	Monitoring and Evaluation framework in place			Monitoring and Evaluation framework in place	Monitoring and Evaluation framework implemented

GOAL 1: BUILDING CUSTOMER -CENTRIC CULTURE (cont.)

1.3 Strategic Objective: Improve the Corporation’s and national image/brand to national and global stakeholders (cont.)

Strategic Initiatives	Strategic Activities	Performance Indicator	Implementing Unit	Targets		
				2021	2022	2023
1.3.3: Strengthen Investor aftercare services and Industrial peace and stability	Develop aftercare strategy/model (including IR strategy, retention and expansion strategy, aftercare services guidelines and monitoring framework)	Aftercare strategy/model in place	ITP/PDM		Aftercare strategy/ model in place	
1.3.4: Institutionalise Investment Climate Reform	Design and implement a national investment climate reform model including public private dialogue model	National investment climate reform model in place	ITP		National investment climate reform model in place	
	Develop and implement investment climate reforms agenda	Investment climate reforms agenda in place			Investment climate reforms agenda in place	
	Development of comprehensive National investment incentives framework	Investment National incentives framework in place			Investment National incentives framework in place	

GOAL 2: INSTITUTIONALISE SUSTAINABLE AND IMPACT INVESTING WITHIN THE CORPORATION

2.1 Strategic Objective: Adopt international Integrated Reporting standards

Strategic Initiatives	Strategic Activities	Performance Indicator	Implementing Unit	Targets		
				2021	2022	2023
2.1.1: Implement Integrated Reporting standards	Refresher training	Number of people trained	CS	100%		
	Developed Integrated Reports	Integrated Reports			First Integrated Report	Annual Integrated Report
	Design Integrated Reporting enhancing intervention measures	Integrated Reporting Program in place			Integrated Reporting Program	

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

2.2.1: Develop and implement out grower model projects for agro-processing and agricultural supply chains	Develop out grower model guidelines with manuals and practical guides	Out grower model guidelines in place	ITP/DF			Out grower model guidelines in place
	Implement Local Supplier Development Program (On-going)	LSDP annual partnership contribution			On-going	On-going
		Establishment of the Coordination Office			Coordinating office established	
2.2.3: Mainstream social impact programs in LNDC Investments	Facilitate indigenous Basotho participation in selected LNDC equity investments	2 companies selected for indigenous Basotho participation	DF		Secure LNDC board approval by December 2022	
	Design public participation Investment model in 2 legacy projects	Public participation Investment model in place			Model in place by June 2022	
	Implement public participation investment model for indigenous Basotho in 2 legacy projects	2 public participation investment deals done			2 public participation investment deals done	

GOAL 2: INSTITUTIONALISE SUSTAINABLE AND IMPACT INVESTING WITHIN THE CORPORATION (cont.)

2.3 Strategic Objective: Enhance Corporation’s financial sustainability

Strategic Initiatives	Strategic Activities	Performance Indicator	Implementing Unit	Targets		
				2021	2022	2023
2.3.1: Mobilize external financial resources to support programmed projects	Conduct an Organizational Lending Readiness Review (Governance, Operational, Legislative Review)	Contract signed	DF/CS		1st Quarter 2022: Contract signed Approved Legal and governance report	
		Reviewed LNDC Act				4th Quarter 2023: LNDC Act amended
	Explore external financial resource mobilisation opportunities	Number of external financial sources identified	DF/CS	One (1) External Financial Source engaged through NDAs or MOUs	Two (2) External Financial Source engaged through NDAs or MOUs	

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	Strategic Activities	Performance Indicator	Implementing Unit	Targets		
				2021	2022	2023
3.1.1: Build Local Existing Farmers' Productive Capacity	Develop/Facilitate Capacity building program on: <ul style="list-style-type: none">• Market Access• Access to finance• Standards• Business acumen	Capacity building program in place	ITP/DF			Capacity building programs in place
	Facilitate access to enabling infrastructure and Access to Technologies	Procurement of 100 farming tunnels			100 farming tunnels procured	
	Facilitate stakeholder collaboration in support of existing agricultural programs (SADP, LSDP,WAMPP,LMDA etc)	Formalised strategic partnerships			Formalised strategic partnerships	
	Development of farmers database and productive capacity assessment	Farmers database in place				Farmers database in place
		Needs assessment report in place				Needs assessment report in place

GOAL 3: DIVERSIFY LESOTHO'S INDUSTRIAL OUTPUT AND MARKET DESTINATIONS (cont.)

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

Strategic Initiatives	Strategic Activities	Performance Indicator	Implementing Unit	Targets		
				2021	2022	2023
3.1.2: Develop Deciduous Fruits Value Chain	Build a business case for development of green field project	Business case in place	ITP			Business case
3.1.3: Develop Spices and Herbs industry	Develop Local farmers Capacity to produce and package herbs and Spices	Capacity building program in place	ITP			Capacity building program in place
		Number of local farmers capacitated to produce and package herbs and spices				Number of local farmers capacitated to produce and package herbs and spices
	Develop commercial scale herbs and spices farms (PPF)	Number of farms	DF		2 farms enrolled on PPF	Investment decision completed on 1 project
3.1.4: Commercialise grains production and Mechanisation	Land Identification and consolidation	Signed agreement with land-owners	ITP			Signed agreement with land-owners
	Build business case for development of post-harvest infrastructure (E.g. Silos)	Business case in place	DF		Business case in place	

GOAL 3: DIVERSIFY LESOTHO'S INDUSTRIAL OUTPUT AND MARKET DESTINATIONS (cont.)

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

Strategic Initiatives	Strategic Activities	Performance Indicator	Implementing Unit	Targets		
				2021	2022	2023
3.1.5: Initiate participation in the Medical Cannabis industry	Unpack and promote Medicinal Cannabis value chain opportunities	Cannabis Value chain study in place	DF			Cannabis Value chain study in place
3.1.6: Develop Medium Scale Piggery Farmers	Develop Medium-scale Piggery program: <ul style="list-style-type: none">• Market Access• Access to finance• Access to Technologies• Standards• Business acumen	Piggery program in place	ITP			Piggery program in place
	Facilitate enabling Infrastructure	Infrastructure in place	ITP			Infrastructure in place
3.1.7: Develop Medium-Scale Poultry Farmers	Develop Medium-scale Poultry Program: <ul style="list-style-type: none">• Market Access• Access to finance• Access to Technologies• Standards• Business acumen	Poultry Program in place	ITP			Poultry Program in place
	Facilitate enabling Infrastructure	Infrastructure in place				Infrastructure in place

GOAL 3: DIVERSIFY LESOTHO'S INDUSTRIAL OUTPUT AND MARKET DESTINATIONS (cont.)

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

Strategic Initiatives	Strategic Activities	Performance Indicator	Implementing Unit	Targets		
				2021	2022	2023
3.1.8 : Develop Salmon Production project	Conduct environmental and social impact assessment study	Environmental and social impact assessment study in place	DF		Environmental and social impact assessment study in place	
	Technical engineering Feasibility study	Feasibility study in place			Feasibility study in place	
	Develop Fund Raising Model	Fund Raising Model developed			Fund Raising Model developed	
3.1.9 : Commercialise Beef Production and Processing	Conclude ESIA	Submission to Department of Environment (DoE) for record of Decision	DF	DoE Record of Decision		
	Conduct land valuation of local farmers	Land valuation Report completed		Land Valuation		
	Investment Appraisal	Submission to Board for approval		Board Approval		
3.1.10: Resuscitate Basotho Cannery operations	Develop Basotho Cannery business case	Business Case developed	ITP		Business Case	
	Identify Strategic partner	Strategic partner identified				MOU signed
3.1.11: Facilitate the development of the agric insurance policy	Engage consultant to develop agric insurance policy	Agric insurance policy in place	CS		Agric insurance policy	

GOAL 3: DIVERSIFY LESOTHO'S INDUSTRIAL OUTPUT AND MARKET DESTINATIONS (cont.)

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

Strategic Initiatives	Strategic Activities	Performance Indicator	Implementing Unit	Targets		
				2021	2022	2023
3.2.1: Facilitate Retention and Expansion of Manufacturing Industries	Undertake benchmarking study to facilitate development of productivity centre (skills needs assessment)	Study in place	ITP			Study in place
3.2.2: Identify potential equity deals within the manufacturing industry	Conduct a demand study for equity investments by LNDC in the manufacturing industry to gauge appetite	Demand study for equity investments in place	ITP/DF		Demand study for equity investments in place	
3.2.3: Development of special economic zones	Feasibility Study for development of special economic zones: <ul style="list-style-type: none"> • Berea • Mafeteng (SEZ) 	Feasibility study report in place	PDM/ITP		Feasibility study	

GOAL 3: DIVERSIFY LESOTHO'S INDUSTRIAL OUTPUT AND MARKET DESTINATIONS (cont.)

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

Strategic Initiatives	Strategic Activities	Performance Indicator	Implementing Unit	Targets		
				2021	2022	2023
3.3.1: Implement Exporter Development Programme	Formalise relationships with relevant institutions for Exporter Development Program	Relationships formalised	ITP		Relationships formalised	
	Pilot Export Consortia projects: *Arts and Craft, Textiles, and *Cosmetics	Export Consortia in place	CS/ITP	Export Consortia in place		
	Design and develop training and capacity building program to strengthen productive capacity	Training and Capacity building programs in place	ITP		Training and Capacity building programs in place	
	Facilitate training on Standardization of production and products *High-end Fashion products	Signed contract with a consultant			Signed contract with a consultant	
		Number of trained exporters on high-end fashion products			40	
	Develop concept and facilitate establishment of textile manufacturing incubation center	Concept paper in place	ITP *PDM		Concept paper in place	
		Incubation Center established			2 incubation centers established (Maputsoe & Mohale's Hoek)	
	Develop Export Guide	AGOA Strategy Activities Report in place	ITP		AGOA Strategy Activities Report in place	
	Implement AGOA Strategy activities	Number of forums attended			6 Forums	6 Forums
	Facilitate/Participate in Trade and Investment forum	Criteria in place			Criteria in place	
	Develop and implement Domestic Exporters' incentive support programme	Number of Exporters supported			12 Exporters	12 Exporters

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	Strategic Activities	Performance Indicator	Implementing Unit	Targets		
				2021	2022	2023
4.1.1: Capitalise Project Preparation Facility (PPF)	Set-up and Capitalise PPF	PPF Capitalised	DF	4th Quarter		
	Implement Project Preparation Facility	Number of deals supported		At least 2 deals	At least 4 projects	
4.1.2: Establish an equity fund	Design Equity Fund policy guidelines for Non-strategic Projects	Developed policy guidelines	DF		2nd Quarter	
	Capitalise EQ Fund for Strategic Projects	EQF Capitalised	DF	4th Quarter		
	Implement EQ Fund for Strategic Projects	Number of deals supported		At least 1 deal initiated	At least 2 projects	
4.1.3: Capitalise PCG	PCG Capital Increased	CPG Capitalised	DF	4th Quarter		
	Expand partial credit guarantee reach	Number of companies supported		At least 25 deals supported	At least 65 deals supported	
	Monitor and evaluate existing portfolio	Monitoring and evaluation reports		All high risk deals	All high risk deals	
	Implement PCG annual forums and district roadshows	Forums and roadshows conducted		PCG Annual Forum	10 districts plus PCG Annual Forum	

GOAL 4: MOBILISE FUNDING FOR ECONOMIC DIVERSIFICATION (cont.)

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

Strategic Initiatives	Strategic Activities	Performance Indicator	Implementing Unit	Targets		
				2021	2022	2023
4.1.4: Roll out Supply Chain Finance (SCF)	Set up and Capitalise SCF	SCF Capitalised	DF	4th Quarter		
	Review SCF Policy Guidelines	Review Policy		4th Quarter		
	Develop SCF databases	Supplier and buyer database developed		Established database by March 2022.		
	Implement SCF	Number of enterprises supported		At least 5 deals supported	At least 50 enterprises supported by March 2023.	
4.1.5: Capitalise Quasi Equity Fund	Set-up and Capitalise Quasi Equity Fund	Quasi equity fund capitalised	DF	4th Quarter		
	Implement Quasi Equity Fund	Number of deals supported		At least 1 deal initiated	At least 10 deal completed	

GOAL 4: MOBILISE FUNDING FOR ECONOMIC DIVERSIFICATION (cont.)

4.2 Strategic Objective: Expand financial assistance to organizations and innovative projects in furtherance of the Vision of the Corporation

Strategic Initiatives	Strategic Activities	Performance Indicator	Implementing Unit	Targets		
				2021	2022	2023
4.2.1: Implement Innovation Programme	Resuscitate innovation programme support	Number of innovation projects supported (Product development)	CS	Atleast 2 Innovation projects identified for support	Atleast 1 Innovation project identified and supported	At least 2 Innovation projects identified and supported
		Number of innovation projects supported (commercialisation)			Atleast 1 Innovation project supported	
4.2.2: Development of Mining Value Chain Opportunities	Unpack and reconcile mining legislative regime with LNDC founding act	Information paper in place	CS		Information paper	
	Facilitate initiation of the beneficiation project in the mining industry (jewellery)	Concept paper in place			Concept paper	
4.2.3: Explore beneficiation in wool and mohair industry	Identify a strategic partner and build a business case for Development of a breeding genetic centre	Business Case developed	CS		Business case	
	Investigate a commercially viable models for processing of wool and mohair	Commercial model packaged			Commercial model	

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	Strategic Activities	Performance Indicator	Implementing Unit	Targets		
				2021	2022	2023
5.1.1: Implementation of Talent management program	Facilitate management development program	Talent management program in place	CS	Concept paper approved	Program roll-out	
	Design Succession planning framework	Succession Plan approved			Succession Plan	
5.1.2: Facilitate technical and professional industry specific training in manufacturing and agro processing related courses	Develop workplace skills development plan	Workplace skills development plan	CS		Concept paper approved	
	Conduct skills needs assessment	Conduct skills needs assessment			Program roll-out	
	Provide specialised training based on identified skills needs	Number of people trained		Ongoing	Ongoing	Ongoing
5.1.3: Brand LNDC as the employer of choice	Develop Retention strategy	Strategy in place	CS	Concept paper approved	Strategy roll-out	Strategy in place



55 YEARS OF BUILDING INDUSTRY