

Quick Facts

CPIA Score 3.3 Above IDA Avg.	Change from previous year — No change	Highest performing clusters 3.5 (Structural Policies and Policies for Social Inclusion and Equity)	Lowest performing cluster 2.9 (Public Sector Management and Institutions)
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Population (millions)	2.3
GDP (current US\$, billions)	2.0
GDP per capita (current US\$)	878.0
International poverty rate (US\$2.15) (% of population)	36.8

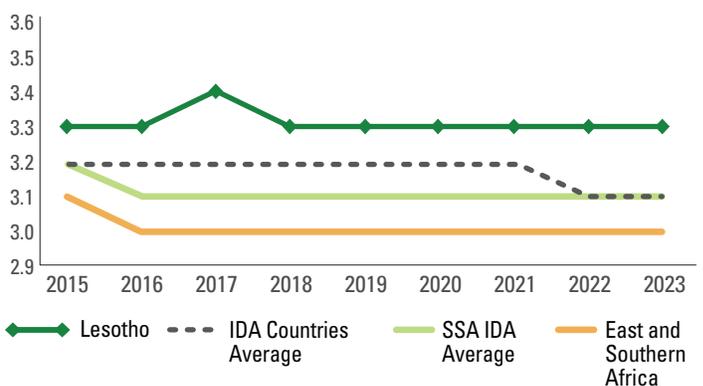
Country Policy and Institutional Assessment 2023

Indicator	Lesotho	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	3.2	2.9	3.2	3.2
Monetary and Exchange Rate Policy	3.5	3.1	3.4	3.4
Fiscal Policy	2.5	2.8	3.1	3.0
Debt Policy and Management	3.5	2.8	3.1	3.1
Structural Policies	3.5	3.1	3.2	3.2
Trade	4.0	3.5	3.7	3.7
Financial Sector	3.0	2.7	2.7	2.8
Business Regulatory Environment	3.5	2.9	3.0	3.0
Policies for Social Inclusion and Equity	3.5	3.2	3.3	3.3
Gender Equality	4.0	3.2	3.3	3.3
Equity of Public Resource Use	3.0	3.3	3.4	3.4
Building Human Resources	3.5	3.6	3.6	3.6
Social Protection and Labor	3.5	2.9	3.1	3.0
Policies and Institutions for Environmental Sustainability	3.5	3.2	3.3	3.2
Public Sector Management and Institutions	2.9	2.7	2.9	2.9
Property Rights and Rule-Based Governance	3.0	2.5	2.7	2.8
Quality of Budgetary and Financial Management	2.5	2.7	2.9	3.0
Efficiency of Revenue Mobilization	3.5	3.1	3.2	3.3
Quality of Public Administration	2.5	2.7	2.8	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.0	2.4	2.7	2.8
Overall CPIA Score	3.3	3.0	3.1	3.1

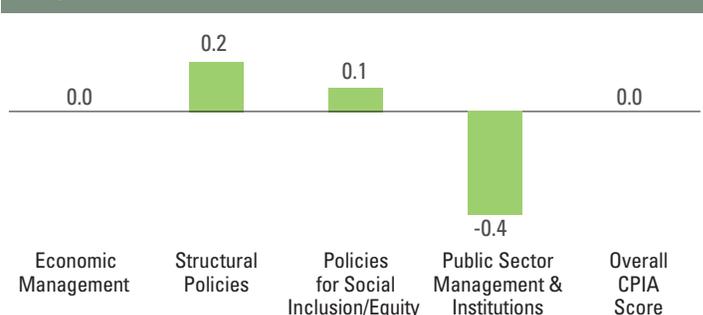
Highlights

- ▶ The country participates in the African Continental Free Trade Area and implemented a relatively open regime for services trade and foreign investment.
- ▶ The tax system is perceived as complex, but Revenue Services Lesotho is working to simplify procedures for taxpayers.
- ▶ The country’s health outcomes worsened, educational outcomes were poor, and social protection transfers went to people who were not among the poor or extreme poor.

Trend



Progress



Definitions:

- CPIA: Country Policy and Institutional Assessment
- IDA: International Development Association, the arm of the World Bank Group that provides credits to the poorest countries
- SSA: Sub-Saharan Africa
- Poverty data are based on the MFM Database, Macro-Poverty Outlook, World Bank, spring 2024. Poverty data are expressed in 2017 purchasing power parity.
- The cutoff date for the World Development Indicators database is July 2024.

Average scores for comparisons refer to country groupings as follows:

- **IDA Borrowing Countries:** 74 countries eligible for IDA credits and with CPIA scores in 2023
- **SSA IDA Countries:** 39 SSA IDA countries that had CPIA scores in 2023
- **West and Central Africa:** 20 SSA IDA countries with CPIA scores in 2023
- **East and Southern Africa:** 19 SSA IDA countries with CPIA scores in 2023