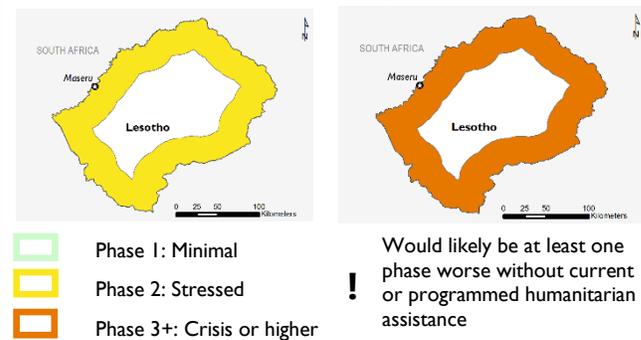


*Livelihood activities slightly improve as COVID-19 restrictions are relaxed*

**KEY MESSAGES**

- As of June 29, there are 27 confirmed COVID-19 cases in Lesotho. Testing has been limited with testing capacity reported at **150 people per day**. The border closures and South Africa’s lockdown have impacted seasonal employment opportunities for poor households in Lesotho, as well as remittance inflows. Households that normally migrate to South Africa around May to July for harvesting labor opportunities are currently unable to do so and, consequently, income and remittances have been below average since April/May.
- The relaxation of the COVID-19 control measures in Lesotho on May 6 has slightly improved economic activity in both rural and urban areas, although engagement in livelihood activities has not fully returned to normal. Rural households are engaged in several income earning activities such as crop and vegetable sales, casual labor, and petty trade. In urban areas, salaried and wage employment such as security guards, cleaners, domestic workers, and informal workers, make up some of the low-income urban earners who form very poor and poor households. Although businesses have begun operating at near normal levels since the relaxation of the COVID-19 control measures, the border closures and local sanitary control measures are delaying the supply of goods, limiting trade transactions, and impacting household incomes.
- Maize meal prices in Maseru have been generally stable from October 2019 to March 2020. According to prices published by the Bureau of Statistics, maize meal prices in Maseru increased by approximately 9 percent from March to April 2020. April maize meal prices in Maseru were 12 and 5 percent above last year and the five-year average, respectively. This increase in maize meal prices primarily affected urban populations as rural households are relying on their recent harvests during this period. According to key informants, markets are well stocked despite delays at the border that are resulting from sanitary measures put in place to minimize the spread of COVID-19.

Projected food security outcomes, June to September 2020 (left) and October 2020 to January 2021 (right)



Source: FEWS NET

FEWS NET classification is IPC-compatible. IPC-compatible analysis follows key IPC protocols but does not necessarily reflect the consensus of national food security partners.

FEWS NET Remote Monitoring countries use a colored outline to represent the highest IPC classification in areas of concern.

ZONE	CURRENT ANOMALIES	PROJECTED ANOMALIES
<i>Nationwide, but with more intensity in Leribe, Berea, Quthing and a few areas bordering Mokhotlong and Thaba-Tseka</i>	<ul style="list-style-type: none"> <li>Reduced labor migration and remittances due to border closures and COVID-19 related restrictions in South Africa</li> <li>Below-average harvest</li> </ul>	<ul style="list-style-type: none"> <li>Reduced incomes due to restrictions on trade and cross border population movement to prevent spread of COVID-19</li> </ul>

## PROJECTED OUTLOOK THROUGH JANUARY 2021

The relaxation of the lockdown on May 6 has encouraged economic activities to resume, and poor households are increasingly able to engage in their typical livelihood activities. However, sanitary control measures such as temperature checks, hand washing stations, and social distancing are slowing down and limiting the amount of trade taking place. For example, taxis and buses can only take seated passengers, with no standing room allowed. Due to the limit in passengers, commissions received by the drivers and conductors from their employers is reduced. Additionally, the passenger limit likely results in longer wait times and/or higher travel costs for passengers, making it more difficult for traders and self-employed to source supplies for re-sale or access raw materials. Additionally, the slowdown of the supply chain due to border closures impacted some farmer access to agricultural inputs for winter wheat production. Since the end of the lockdown, casual labor opportunities in rural areas are returning; however, demand is low as most of the population have not returned to pre-COVID-19 activity levels.

Delays at the border have slowed down the supply of agricultural and industrial inputs. The textile industry, which directly employs [close to 50,000 people](#), primarily poor households, and provides [a range of formal and informal sector activities](#), was closed from March 30 to May 5, impacting household income. Due to slowdowns in global value chains, the import of raw materials for textiles has also been significantly delayed which has been impacting exports. Remittances have been reported as one of the most affected income sources by COVID-19. For Lesotho, most remittances come from South Africa. With the gradual relaxation of the lockdown in South Africa, remittances are expected to begin being sent but at below-average rates. Urban livelihoods have been most affected by the lockdown; however, households have started to engage in livelihood activities at below-average levels.

In rural areas, the impact of COVID-19 is less significant as households have just harvested and are relying on their own production. Although national production is estimated to be below average, the harvest is still increasing consumption between June and August. However, as urban households rely more on markets, they are facing greater difficulty meeting their non-food needs. They have received typical national safety nets, such as the quarterly cash transfer Child Grant Program, and a once off payment of 800 LSL given to factory workers. According to the [IMF](#), the government intends to subsidize 45,000 industrial workers; clear arrears to micro-, small, and medium-sized enterprises and extend credit guarantee facilities by 450 LSL million; and top up existing cash transfers, such as the Child Grant Program. Public assistance has also been expanded for three months to add vulnerable groups such as children, elderly disabled, and those working in the informal sector.

Despite delays at border points due to sanitary controls, food supplies and other essentials have been able to reach Lesotho even during the total lockdown in South Africa. Market supplies have therefore not suffered much despite the slowness and initial fears when the border closures were announced. The 9 percent increase in maize meal prices in Maseru between March and April is anticipated to be due at least in part to a similar spike observed in the source markets of South Africa. However, local factors could also have played a role, including milling companies being disrupted by the lockdown. Some traders reported having to travel atypically longer distances to collect their supplies and this could have inflated the transport costs. Additionally, some traders were requested to obtain permits to operate across borders during COVID-19 border closures. These factors are suspected to have contributed to the slight price spike observed between March and April.

Food stocks at the household levels have improved due to own harvest but are expected to last no longer than four months for the majority of very poor households. Food consumption patterns at the household level have therefore slightly improved despite the economic impacts of COVID-19. In urban areas, household food security was deteriorating during the lockdown as households reduced the quantity of meals, relied on savings, and support from better-off family and friends. As people return to work, food security has begun stabilizing. It is anticipated that food access will slowly improve for the urban poor as they resume economic activities. Given these conditions, the majority of Lesotho will experience Stressed (IPC Phase 2) outcomes through August. However, even though outcomes will slightly improve through August, urban acute food insecurity will remain atypically high due to the economic impacts of COVID-19, though with gradual return to Minimal (IPC Phase 1) through January under the assumption lockdowns will not be again implemented. For many very poor rural households, from September food security outcomes are expected to start deteriorating earlier than normal as own food stocks are depleted. Crisis (IPC Phase 3) outcomes are expected to begin in September 2020 and persist through January 2021 during the peak of the lean season.

### ABOUT REMOTE MONITORING

In remote monitoring, a coordinator typically works from a nearby regional office. Relying on partners for data, the coordinator uses scenario development to conduct analysis and produce monthly reports. As less data may be available, remote monitoring reports may have less detail than those from countries with FEWS NET offices. [Learn more here.](#)