



## PRESS STATEMENT

### BEDCO ENTERPRISE DEVELOPMENT PROGRAM LAUNCH 19/11/2021

Last year, the Basotho Enterprises Development Corporation (BEDCO) launched a new strategy covering the period 2020 – 2025. The strategy focuses on contributing towards the National Development Plan (NSDP) ii particularly its first key priority area of: **“enhancing inclusive and sustainable economic growth and private sector job creation”**. Through this strategy BEDCO aims to address the inclusive and economic growth and private sector job creation which has a target of 10,000 jobs per annum through the establishment, development, and growth of Micro, Small and Medium Enterprises (MSMEs).

The strategy has also taken into consideration the effects of the covid-19 pandemic which has adversely impacted Lesotho’s economy. MSMEs have mostly been impacted as it affected their cash flows, ability to access raw materials and other inputs, and their ability to access markets due to the requirement to comply with covid-19 response mechanisms.

One of the key priority areas of the BEDCO’s strategy is enterprise development which directly addresses the establishment and development of Basotho MSMEs. To this extent BEDCO has developed **“the enterprise development program”**, through which several initiatives will be implemented towards growing Basotho MSMEs to enable them to recover from post covid-19 challenges and to boost job creation and economic growth.

The key objectives of the program are:

- To establish 50 start-up msmes per annum amongst the youth towards addressing youth unemployment challenges.
- To develop 1,300 per existing msmes per annum to grow to their next level of growth enabling them to create more jobs.
- To strengthen the entrepreneurship ecosystem to enable successful achievement of the program

The immediate program beneficiaries will be MSMEs as they will be assisted to develop to their next level of growth.

The program will be implemented through three projects with tailor-made interventions which address specific needs of the different categories of entrepreneurs as follows:

- Facilitation of formalization project targeting 1000 micro enterprises which is aimed at assisting Basotho businesses in the informal sector to register their businesses and obtain the benefits that come with formalization. The project is being carried out in collaboration with the Lesotho Revenue Authority and the Ministry of Trade and Industry through the One Business Facilitation Center (OBFC). A highlight of the launch is the signing of a Memorandum of Understanding (MoU) between our three organizations to formalize this collaboration. The project will also provide capacitation to micro businesses and assist them with the necessary support to be able to access financing and markets. The project will also be carried out with other relevant business registration regulatory organizations based on the sectors to be assisted.
- The SMEs development project which specifically targets small and medium enterprises to enable them to grow from small to medium, and from medium to large. The project will initially assist 250 small businesses and 50 small businesses.
- The youth enterprises development project which has been coined as “the youth launchpad” which specifically targets youth-owned start-up enterprises. This project encourages the pursuit of entrepreneurship among Basotho Youth as a means of employment creation. The project provides seed capital through business plan competitions and idea pitching sessions through which we will invite the private sector to sponsor youth businesses requiring small amounts of funding. The winners will undergo incubation and mentorship to ensure success of their businesses.

To implement a significant part of the program BEDCO has received support from the African Development Bank through the government of Lesotho under the Economic Diversification Support Project (EDSP).

This program will also be implemented through several collaborative efforts with the private sector and government entities. These include Standard Lesotho Bank and the LRA under

the youth development project, LRA and the OBFC and other regulatory departments under the formalization project, Metropolitan Lesotho which a number of years ago donated the machinery that we will be using for a textile shared service facility, the us trade hub which has been supporting us through various programs, and Enygma ventures who we have recently partnered with BEDCO to provide venture capital funding to Basotho female businesses.

This initiative is aligned with the Government's National Strategy Development Plan II and The Government of Lesotho will be the ultimate beneficiary of the program impact as follows:

- Job creation as the growth of the MSMEs would enable them to employ more people.
- Economic recovery through increased economic activity by the MSMEs.
- Ability to achieve the poverty reduction goal.