



Millennium Challenge Account - Lesotho

Reducing Poverty Through Economic Growth

NEWS RELEASE

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A big step for MCA-Lesotho - signing of contracts for health and water infrastructure projects

Just as the Lesotho Compact is moving into its third year, construction contracts have been signed for five major project activities within both Water Sector and Health, signifying remarkable progress in Compact implementation. The month of September, 2010 has been a busy time for Millennium Challenge Account (MCA)-Lesotho team towards getting the infrastructure projects within the sectors of health and water off the ground. During this time, the contracts were signed with several contractors for Health Sector and Water Sector infrastructure projects.

Within the Water Sector Projects, the contracts signed were for the Water Treatment Works (WTW) facility, a component of the Metolong Dam with CMC/BOTJHENG Joint Venture for a total cost of \$61.165 million (approximately M452.62 million). Also, MCA-Lesotho signed contracts with various local contractors totaling US\$ \$16.776 million (approximately M124.14 million) for Phase A of the Rural Water Supply and Sanitation activity. This activity involves construction of 80 water systems and 9,202 Ventilated Improved Pit (VIP) latrines. The other three recently signed contracts are for activities that fall under the Health Sector. They include a contract with Lesotho Steel Products Pty. for \$12.38 million (approximately M91.6 million) for Expansion and Rehabilitation of Out-Patient Departments (OPDs) in 14 hospitals. Contracts were also signed with Trencon/Building World Belela Joint Venture and LCC Ltd together totaling \$99.095 million (approximately M733.3 million) for the rehabilitation of 137 health centres in all ten districts which had been broken up into 4 lots. The third Health Sector activity contract was signed with Sanyati Construction for US\$ \$8.96 Million (approximately M66.3

million) which will be responsible for construction of a Central Laboratory and Blood Transfusion Centre at Botšabelo in Maseru.

With the signing of these contracts, the Lesotho's water systems and health services will be improved. For some time now, Lesotho has been making efforts towards building modern water and health infrastructure systems that can be sustained by local institutions and are structured in such a way to as encourage utilization by local people. With high rates of HIV/AIDS and waterborne diseases such as diarrhea in Lesotho, these health and water initiatives will go a long way in making essential services available to Basotho across the country.

The Water Treatment Works (WTW) facility will be constructed based on a design/build contract. The contract includes the WTW facility in addition to the construction of a command reservoir and a pumping system at the Metolong dam site. Once the downstream conveyance systems are constructed to complement the WTW, the system will supply water to Maseru residential and industrial areas as well as the towns of Mazenod, Morija, Roma and TY.

Once completed, the Phase A Rural Water Supply and Sanitation project will create safer sources of drinking water and improve access to sanitation facilities. With easier access to water and sanitation, people should be at less risk for contracting water-borne diseases and will have more time to engage in productive economic activities.

The three health activities whose contracts were recently signed are also poised to have a significant impact on the Lesotho health care system. The works done to improve out-patient departments at 14 hospitals, renovate 137 health centers and build a central lab and blood transfusion centre are designed to address the disease burden in the country by making facilities more accessible and better designed to improve confidentiality, more appropriately manage medical waste and reduce the risk of air-borne disease transmission. With so much momentum from the signing of these contracts, MCA-Lesotho appears to be on pace to finish its projects during the five year life of the Lesotho Compact. For now, MCA Lesotho remains a model MCC partner that other counties would benefit from emulating.

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