

**HEAD OF DELEGATION'S REMARKS ON THE
OCCASION OF EUROPE DAY CELEBRATION
MASERU, 9 MAY 2011**

Greetings to you all - Lumelang bo'm'e le bontate -

Allow me firstly to pay my respects to:

His Majesty King Letsie III;

the right Honourable Prime Minister,

the Honourable Deputy Prime Minister,

the Honourable President of the Senate;

the Honourable Speaker of the National Assembly;

Honourable Ministers – especially the Honourable Acting Minister of Foreign Affairs Minister Semano Sekatle;

Their Lordships, Judges of the Appeal Court and the High Court;

Colleague Members of the Diplomatic Corps and Representatives of International organisations;

Dignitaries here present;

Distinguished Guests, Ladies and Gentlemen;

All protocol observed.

It is a real pleasure welcoming you here today for our annual Europe Day celebrations. A tradition to which the staff of the Delegation is much attached. It is one of the highlights of the year. It is first and foremost a day to celebrate. It is a day to celebrate the achievements of co-operation and integration on the European continent. It is also a day to reflect on European Union's relations with the Kingdom of Lesotho.

Honourable Minister, with Europe Day we mark the start of the European Union as we know it today. A Union of 27 Member States, uniting over 500 million people.

It was on the 9th May 1950 when Robert Schuman, the French Foreign minister, made his famous Schuman declaration. A declaration that called for bringing the Franco-German production of coal and steel under a common high Authority, open to all countries of Europe. In Schuman words: his proposal would "lead to the realisation of the first concrete foundation of a European federation indispensable to the preservation of peace".

Progress in European integration has been steady. We are proud of our achievements. Highlights over the years have been the 1992 single market project establishing a single or internal market providing for the free movement of goods, services, capital and people. Very important was also the introduction of the EURO in 1999, a common European currency, now used in 17 EU Member States. Finally, the Union's historical enlargement of 2004 must be mentioned. Ten countries, most of them Eastern and Central European countries, joined the Union that year thereby expanding EU membership from 15 to 25 Member States in one go.

Progress in European integration has been steady, but not without challenges. The year behind us is an example in case. The financial crisis has had a profound impact on the Union. The crisis has tested the Union's cohesion and solidarity. At the same the EU's common currency, the EURO, and the EU institutions have protected us from worse.

Honourable Minister, European integration can also inspire Lesotho. We have seen that under the EU umbrella integration among neighbouring countries has advanced most. This I believe is relevant for Lesotho. Equally relevant is that the EU has provided a co-operation framework of interest to both large and small countries; the EU's biggest Member State population is almost 200 times that of the smallest Member State.

Honourable Minister, I referred already to the Schuman declaration. Less well known is that the Schuman declaration also laid the foundation for the EU-Africa co-operation as we know it today. Minister Schuman stated that a more affluent and stable Europe would enable Europe to pursue one of its "essential tasks, namely the development of the African continent".

Since 1950, not only has Europe evolved, also the EU's co-operation with the African continent has seen a steady evolution - from Yaoundé (1973 to 1975), to Lomé (1975 to 2000), to the current Cotonou agreement. Endowed with an amount of EUR 22.7 billion (LSL

210 billion), the current Cotonou agreement continues to give much importance to development finance co-operation. But, our co-operation goes beyond mere development finance. The Cotonou agreement provides also for economic and trade co-operation and it includes a political dimension under which we have committed ourselves to a regular political dialogue.

2010 has been a record year in Lesotho/EU co-operation. We disbursed an amount of EUR 55 million or LSL 520 million. Much of the support (LSL 320 million) was extended in the form of direct budget support. Direct budget support is however conditioned on a clear, concrete and convincing commitment to public finance reform. While good progress has been made, we encourage the Government to reinforce its efforts in this area. This could possibly also allow widening the circle of donors that provide budget support.

The high level of disbursements in 2010 was the result of a one-off payment under the Union's V-flex or vulnerability instrument. With this instrument the Union helped countries to face the impact of the global financial crisis. As we all know, the crisis also affected Lesotho very much; government revenues declined appreciably as a result of a dramatic fall in SACU revenues. Lesotho was the third most important beneficiary among 19 beneficiaries from the ACP countries of the 2010 EU V-flex support.

This year we invite you to have a closer look at EU-Lesotho co-operation in the water sector. Water is key to Lesotho. It is also very prominent in our co-operation with funding on on-going programmes exceeding LSL 2 billion. Last month we signed a water sector budget support programme for LSL 300 million. Under this programme we support improved rural and urban water supply and sanitation. Strengthening maintenance and operations of existing infrastructure is also part of the programme. Safe water and sanitation for all Basotho is within reach. Displays on Lesotho – EU water co-operation are this week on show at the Pioneer Mall.

Honourable Minister, I note therefore with satisfaction the good development co-operation performance. At the same time, we are also committed to widen our co-operation on trade and political matters. Let me recall that since the entry into force of the Lisbon Treaty in December 2009 and the creation of the European External Action Service as of 1 January of this year, new opportunities have been created. The Delegation has been transformed into a Delegation of the European Union. It has now fully assumed the responsibility of the local EU

Member State presidency. The Delegation is therefore fully equipped to play this role in co-ordination with EU Member States. We therefore look forward to further developing of our co-operation in the fullest possible sense as provided for in the Cotonou agreement.

Honourable Minister, we are encouraged with the progress in the reform of the electoral bill. We hope that the local elections of September and the general elections of next year will be held as envisaged. The local elections will deepen the process of decentralisation. The EU supports decentralisation with a LSL 100 million project approved last year. We hope that the general elections will pave the way for a smooth transition to a new government. A new government that implements the National Strategic Development Plan currently under preparation; we follow with great interest the timely finalisation of this plan.

Honourable Minister, a year with many highlights is ahead of us. Elections, the finalisation of the National Strategic Development Plan, an important international conference on climate change in Durban in December of this year, are just a few of these highlights. All this provides ample opportunities to work together. To work together as partners, partners of longstanding; be assured, Honourable Minister, that we are very committed to deepening this partnership.

Rea Leaboha.

Khotso, Pula, Nala

I now invite you all to raise your glasses in a toast to His Majesty the King, the Government and People of the Kingdom of Lesotho.