



24 August 2023

Lesotho's Legal Woes - Majoro's Legacy

The Deputy Prime Minister of Lesotho, Nthomeng Majara, in a TV interview on 22 August 2023 informed the public that the previous Majoro led government had left the government dealing with four legal claims for a collective M3.2 billion (\$172 million). This figure includes the Tsepong Hospital contract termination which has resulted in a claim of M1.6 billion (\$86 million). This figure does not appear to include the M1.1 billion (\$59 million) Frazer Solar claim. Therefore, the total is likely to be as much as M4.3 billion (\$231 million).

A Frazer Solar spokesperson said "DPM Majara has put the Frazer Solar claim into context. We are not alone in pursuing legal action, we do not have the largest claim, and we are just one of at least five companies that had their contracts terminated by the Majoro regime. This shows a clear pattern of behaviour from the previous Majoro government that the current Matekane led government is left to deal with."

"The purpose of DPM Majara's interview would seemingly be to prepare the people of Lesotho for the inevitable likelihood of significant sums having to be paid to settle these claims."

"There are two sets of victims to the Majoro regime's actions: the companies involved and the Basotho people. It is particularly sad that some of these disputes relate to core services of health care and electricity."

"With regards to electricity, the country is being forced to buy power as high as M5 per kWh from Mozambique, meaning it is losing around M3 for every unit sold, due to lack of its own generation capability. If the government had completed the Frazer Solar project in its entirety the country would have been self-sufficient and a net exporter of electricity generating significant income for the country to alleviate poverty and grow the economy. Instead, it faces a much worse situation than existed when the contract was signed in 2018. This is a tragic own goal."

"It is pleasing to see that the government finally acknowledges that it did in fact enter into an agreement with Frazer Solar. And that it no longer perpetuates the Majoro pedaled false narrative of fraud and corruption. This echoes the position Lesotho's lawyers took in the June High Court Hearing in South Africa where the corrupt cabal narrative wasn't raised at all. It wasn't raised as it is simply untrue and under the scrutiny of a robust legal process, where proof had to be provided, had no prospect of success."

"We would like to point out one mistake the DPM Majara made in her interview when she stated words to the effect that the Frazer Solar project was unaffordable. This is incorrect. The Frazer Solar project was cash flow positive from day one and over the 20 year project period, the net savings would have amounted to M4 billion (\$215 million).

“From a M4 billion gain to legal claims of up to M4.3 billion, the Majoro regime’s actions could see a cost to the people of Lesotho of M8.3 billion (\$446 million). This equates to approximately \$200 for every person in Lesotho. As the multiple legal battles rage on, the costs will only increase. Majoro’s legacy could well be almost half a billion dollars down the drain.”

Ends

Notes to editors

In January 2020, an independent arbitrator ruled in Frazer Solar’s favour concerning a series of contractual breaches committed by the Kingdom of Lesotho, related to a renewable energy project developed by the company. Lesotho was ordered to pay Frazer Solar €50 million in damages but failed to do so.

Consequently, in May 2021, Frazer Solar’s lawyers commenced a worldwide enforcement action against assets held by the Kingdom.

For more information about Frazer Solar’s ongoing legal proceedings against the Kingdom of Lesotho, visit <https://www.frazersolarvlesotho.com/>.