



# **2020/21 MID-TERM BUDGET REVIEW REPORT BY DISTRICTS**

*“Inter-ministerial collaboration, multi-disciplinary approaches and subsidiarity to tackle poverty, malnutrition, and joblessness focusing on service delivery at the local level amid the COVID 19 pandemic”*

**BY**

**MINISTER OF FINANCE**

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The Honourable Minister of Finance delivered for the first time in the history of the Kingdom of Lesotho a Mid-Term Budget Review which is intended to give performance of the 2020/2021 budget that can also be used as the basis for the 2021/2022 budget formulation. This initiative is in line with prudent financial management and embraces the underlying principles of transparency and accountability. The mid-term budget review serves as an opportunity to present the socio-economic developments and budget performance vis-a-vis the projections made when the Appropriation Act was passed. It also helps to determine the economic implications for the remaining months of this fiscal year, and the coming years. The senior officials of the Ministry of Finance were sent to the ten districts of the country to convey the message of the Honourable Minister of Finance at the grassroots level. The initiative was welcomed with open arms. Below are the general concerns that the people from the districts perceive as core to them.

## **1. Berea**

The review process commenced with a welcoming speech by the District Administrator and the opening remarks by Mr. Moleleki, Director Public Debt and Aid Management, Ministry of Finance, where he addressed the key areas of the budget review.

Then the Minister of Finance proceeded, through Lesotho Television with the mid-term review. The sound, all technological issues and the venue were spot on. At the end of the budget speech, the finance team gave more details on the review and opened the floor for comments and questions.

The audience consisted mainly of the Government employees where their main concerns were on the cut of the budget due to Covid-19 which led to difficulty in delivering the services, and also on the government's plan to address this issue so that at least during the next fiscal year the services

and payments which were affected by the cut could advance. The audience, however, applauded the government through the Ministry of Finance with its effort to evaluate the progress of the budget even at these trying times.

The session ended with the closing remarks by the Finance team and the National Anthem.

## **2. Thaba-Tseka**

A welcoming speech by the Administration Manager on behalf of the DA and the opening remarks by Mr. Likotsi Leseli – Director Public Procurement Advisory Department, Ministry of Finance, where he addressed the key areas of the budget review.

The team indicated that attendance was not good since there was another meeting in the district let by the Honourable Deputy Minister of Water on different agenda of launching the water project in that district. The team heard through the TV screen the Honorable Minister of Finance Speech and the team summarized and explained in simple terms the message conveyed by the Minister. The attendants also indicated that the Mid-Term Review initiative is highly appreciated and that it is a long overdue exercise that government has embarked on. However, those in attendance had concerns that there are no roads in the district to access the villages in the district. They also had concerns regarding the fueling of government vehicles as there is a lot of waste.

The session ended with the closing remarks by the Finance team and the National Anthem.

### **3. Mafeteng**

The Mafeteng Administration Manager welcomed the Finance Team and official welcomed the people. The Finance team in Mafeteng was led by Mr. Habofano Makopela – Director Planning Unit. The team heard through the TV screen the Honorable Minister of Finance Speech and the team summarized and explained in simple terms the message conveyed by the Minister. The team reported that the Mafeteng people are concerned by the corruption that is very widespread in government and this should be addressed immediately. The cases that are already before the courts should be fast-tracked. They also noted and appreciated the Ramarothole Power Generation Project that is going to be implemented in Mafeteng is appreciated and that it will enhance the lives of the people of Mafeteng and boost the Mafeteng economy. They had a plea to the government to deal with compensation issue fairly and in time. Those in attendance also requested that the government think about the development of a development fund which can assist in financing of investment projects that are meant for economic growth.

The participants also spoke strongly on decentralization issue which has been discussed a lot. They mentioned that it is high time it is implemented so that service delivery is felt at the grassroots levels. They also mentioned that Basotho could be allowed by the LNDC to use the already build factory shells that were constructed by the public funds but have just become white elephants. They had a plea that government should do something in that regard. The Mafeteng people lamented more on the issues of corruption that is widespread in government.

## **4. Qacha's Nek**

The Midterm speech started as scheduled. Due to some technical issues with the signal, the attendees were able to listen to the speech halfway. The summary of what was entailed in the speech was given to the attendees who were about fifteen when the speech ended.

There were some concerns during the budget and mid-term review, there was no mention of maintenance budget. This shows that Government builds infrastructure and roads and has no plans or budget for maintenance of their assets. That is why most Government building are dilapidated. He suggested that team of experts must be created in order to help in advising Government on maintenance strategies and plans.

Change of delegation year in year out does not help, as unanswered questions and concerns are never reverted back to them on their progress. It is their expectation that even if the delegation changes in the next financial year, the assigned delegation should first address issues raised and not dealt with before bringing another delegation which must start afresh on their concerns.

There was a suggestion that Lesotho diamonds be sold in Lesotho maybe through Central Bank so that taxes and money circulation will improve in the country. This will bring more investors therefore improving the economy of the country.

Businessmen had a concern that if they are not represented in Parliament, their needs and concerns will never be heard by the Government. This is also brought by the fact that Government promised to meet them halfway for rent during Covid 19 pandemic. Even though the Minister mentions that they have given LRA funds to help, they as business owners in Qacha's Nek have not received anything and there is no clear communication on

how this will work. If they had a representation in parliament, he would work as a link between them and Government.

There was a high expectation that the Honourable Minister would elaborate more on the decentralisation progress. This does not give an indication that services will be decentralised.

Qacha`s Nek residents have had a request for a long time to be given electricity from local as they get electricity from the power station in Matatiele South Africa. This causes a problem because when there is load shedding, they are affected a lot. They spend many days without electricity which affects their businesses. Government had promised them that they will be helped this fiscal year, but the midterm review does not mention anything about the installation or progress of Electricity from Masianokeng as promised.

## **5. Botha-Bothe**

The Botha-Bothe team was led by Mr. Lebajoa Talanyane – Budget Officer. The team heard through the TV screen the Honorable Minister of Finance Speech and the team summarized and explained in simple terms the message conveyed by the Minister. The major concern for the Botha-Bothe people is that the agricultural subsidy goes to the people who can actually afford to buy and those that cannot afford do not get the opportunity. They indicated that this is an unfair practice and government should reconsider. They also wanted to understand the strategy NACOSEC regarding the COVID-19. They raised an issue of transparency in the procurement of COVID-19 materials and payment of arrears. They further showed concern on service delivery, that the civil servants are not committed, and something should be done by the government. Solution to lack of interest by civil servants was proposed to be regular spot check and punishments should be introduced.

## **6. Mohale's Hoek**

The Mohale's Hoek team was led by Mr. Napo Ntaote – Senior Budget Officer, who addressed the public regarding the purpose of the of the review, after the welcoming remarks of the District Administrator. The team heard through the TV screen the Honorable Minister of Finance Speech and the team summarized and explained in simple terms the message conveyed by the Minister. The Mohale's Hoek people requested a comprehensive report on COVID-19 spending. They indicated their concerns on revenue collection that is declining and particularly related to traffic due to rampant corruption in that department. They also made a request to government to commercialize the boarder in that district. They indicated that the budget cuts are implemented without the inclusion of the district staff and that poses implementation problems. The requested that they should be involved and be part of the budget process from the begin as districts and people who are expected to deliver the services to the people at the grassroots levels.

## **7. Quthing**

The District Administrator opened the meeting with some welcoming remarks. The Finance team in Quthing was led by Mrs. Masebetseli Makhele – Deputy Accountant General, who gave in summary the overview of the review. The team heard through the TV screen the Honorable Minister of Finance Speech and the team summarized and explained in simple terms the message conveyed by the Minister. The discussions in Quthing centered mainly around the maintenance of public assets which the ministry of Finance was requested that it should it up with the relevant ministries.

## **8. Maseru**

The Maseru team was led by the Honourable Minister of Finance – Mr. Thabo Sophonea. After his speech in Parliament, the Honorable Minister of Finance addressed the Maseru people in Manthabiseng Convention Centre. He was joint by the Principal Secretary for Finance, Budget Controller and the Director Macroeconomic Policy and Management. The Maseru people wanted to know about the implementation of the disability grant, which has not been implemented since the announcement in the 2020/21 budget speech. They also indicated their concerns regarding the food insecurity caused by the prevailing COVID-19 pandemic and the drought which was experienced towards the end of 2019 and shortages of access to clean water and sanitation. Unemployment issue was also raised as a major concern that government should address quickly. Decentralization was also raised as one of the major derailments to development to the Kingdom of Lesotho that needs to be fast tracked.

## **9. Leribe**

The Quthing team was led by Mr. Thabo Ramochela – Director Pensions. The team heard through the TV screen the Honorable Minister of Finance Speech and the team summarized and explained in simple terms the message conveyed by the Minister. The team had connection problem and therefore could not quite follow the speech by the Minister of Finance. However, the team summarized the speech to the few people that participated, and the concerns were that there are some wastages due to double payments of the old age pension scheme and that government should take corrective measures immediately.

## **10. Mokhotlong**

The Mokhotlong team which was supposed to be led by Mrs. Masentle Mpobole did not manage to reach the destination due to logistical challenges that were faced during implementation regarding the travel to Mokhotlong.