



# THE KINGDOM OF LESOTHO

## MINISTRY OF FINANCE



**2023-  
2024**

**PRE BUDGET CONSULTATIONS  
REPORT BY DISTRICTS**

## Contents

<b>Introductions</b> .....	3
<b>Mokhotlong 7/06/22</b> .....	6
<b>Leribe 8/06/22</b> .....	9
<b>Berea 10/06/22</b> .....	12
<b>Mafeteng 13/06/22</b> .....	15
<b>Mohale’s Hoek 14/06/22</b> .....	19
<b>Quthing 15/06/22</b> .....	22
<b>Qacha’s Nek’s Nek - 16/06/22</b> .....	25
<b>Semonkong 20/06/22</b> .....	28
<b>Thaba-Tseka 23/06/22</b> .....	32
<b>Recommendations</b> .....	35

## Introductions

1. The 2023 Pre-budget consultations meetings were held in nine districts with the exception of Butha-Buthe. The purpose of these meetings is to increase public awareness and participation in the budget process and further seek policy direction in budget related matters for the preparation of the 2023/24 national budget. The audience was the Urban, Local and District Councilors, District Council Secretaries, Town Clerks as well as the Area Chiefs. The Ministry of Finance was represented by the delegation from the Department of Budget, composed of the Budget Controller, the two Deputy Budget Controllers as well as some Budget Officers.
2. The Budget Controller upon issuing the introductory remarks stated that the Government has since 2017 been accessed by International Budget Partnership in the Open Budget Survey on the three thematic areas which are budget transparency, public participation and budget oversight. The country scored zero in all areas in 2017, while the scores on transparency and oversight increased in 2019 and declined in 2021. The public participation score has slightly increased over a three-year period. More effort is needed to engage the public on the budget process, dissemination of the outputs of the oversight institutions and to further avail the comprehensive budget information to the public, within a stipulated timeframe as per the budget calendar.
3. She also indicated the importance of decentralising both the functions and the resources from the Central Government to the Local Government. The Local Government Bill has been tabled before the Senate while the new PFMA Bill has been submitted to the Cabinet for

clearance before its tabling to the National Assembly. The expectation is that the two legal frameworks will be passed before the dissolution of the 10th Parliament. Once they are enacted, the process of empowering national structures will commence, followed by the actual transfer of expenditure responsibilities and revenue assignment to lower levels of the government.

4. The discussion was centred around the following issues;
  - whether the national budget is inclusive of citizens' interest including children issues;
  - the fairness of the budget distribution;
  - fair allocation of funds regarding recurrent *vis-a-vis* development budget;
  - revenue mobilization - whether there are new revenue streams that the government may tap into; ways to enhance revenue collection amidst the declining revenue collection exacerbated by the COVID-19 pandemic and the Russia-Ukraine war.
  
5. The 2022 Budget Speech was used as a basis for discussions and to further sensitise the meetings on the governments' development and achievements. The presentation was three-fold;
  - a) The 2021/22 Budget performance indicating major achievements
  - b) The 2022/23 Budget allocations indicating the projected revenue and expenditure, as well as the major investments that are expected to drive growth in the medium and long-term.
  - c) The 2023/24 policy direction; what is expected to be included in the next fiscal year's budget.

- 6.** The audience was urged to come up with policies that may improve the socio-economic status of the nation, in their respective areas and the entire country.
- 7.** The 2023/2024 inaugural pre-budget consultations meeting was held in the Mokhotlong district. The consultations were attended by the Chiefs and Councilors from different community councils.
- 8.** The District Council Secretary opened the meetings and the Budget Controller shared the purpose of the consultations which was to get the policy issues from the grassroots as the Chiefs and Councilors are the representatives of the people.
- 9.** In Semonkong, the meeting was further attended by a representative from UNICEF who reiterated on the importance of the meetings. A brief background of why the Partner has embarked on financing this initiative as well as perception of the outcomes were shared. She further wished the meeting a fruitful deliberation.

## **Mokhotlong 7/06/22**

### **10. The following issues emanated from the discussions;**

- i.** Decentralisation of government services and resources which will enable the local authorities to plan developmental issues pertaining their area of jurisdiction. The local councils face a challenge of unavailability of funds due to the absence of fiscal decentralisation. All revenue collected is deposited in the consolidated fund and nothing is left at council level.
- ii.** A recent rapid increase in pump price of petrol has increased the prices of commodities and food supplies. This has led to an increase in poverty due to the declining purchasing power. It has also hampered the already sluggish development.
- iii.** The 2022/23 salary adjustment of 5 percent (5%) is not at par with the rate at which the price of the food basket increase. In future, salary adjustments should take into consideration the rate of increase inflation on food commodities, petrol, electricity etc.
- iv.** A continuous decrease in the recurrent budget makes it difficult to procure necessary expenditure items relevant in rendering a good service delivery.
- v.** Capacity building programmes are essential to capacitate the segments of the nation on digitisation of government services. This includes among others, trainings on online business registration.
- vi.** Upgrade of Mokhotlong-Sanqebethu road which was once included in the previous years' budget is still pending.

- vii.** The M200.00 sitting allowance for councilors needs to be reviewed. It is offered once a month regardless of the number of sittings in that respective month.
- viii.** There is a need for coordinated integrated planning. Land marked for residential sites must have essential utilities and infrastructure (water, electricity and roads).
- ix.** There is a delay in the distribution of funds. 1<sup>st</sup> quarter warranted funds have not yet reached the district during the month of June when consultations were undertaken.
- x.** Area Chiefs' monthly allowances need to be reviewed.
- xi.** There are no offices for the Area Chiefs who mostly work from home. There is also a need to supply them with stationary for drafting of letters when a need arises and any other business that may require stationary.
- xii.** As a revenue enhancement measure and in line with Land Act of 2010, institutionalise payment on acquisition of land.
- xiii.** No clear line of responsibility between the Councilors and Chiefs regarding who should be the custodian of payments accrued from illegal grazing at pastoral land (Maboella).
- xiv.** Inadequate/absence of footbridges in most rivers restrict movement of people residing along the rivers.
- xv.** All Basotho, irrespective of the type of assets they hold should be permitted to acquire loans from the banks without being requested to

show their proof of income but rather use their assets as collateral as this may hamper development.

- xvi.** The government is advised to develop a framework on capacity building on poverty alleviation strategies.
- xvii.** The Councilors should be sensitised as to whom they should report the challenges encountered during payment of the Old Age Pension.
- xviii.** Social benefits for the poor and vulnerable people should be reviewed, as the amount given per family per quarter is too small.



**11. The following issues emanated from the discussions;**

- i.** The presentation highlighted the 2021/22 budget allocation where total expenditure was projected at M23.8 billion against the revenue of M15.5 billion. A concern was raised as to why the government's projections on expenditure are higher than the anticipated revenue collection; why not budget on what is anticipated to be collected.
- ii.** An open Budget Survey results indicated a declining score and a concern was raised as to why is the government not rectifying the issues that lead to poor performance so that the scores do not decline but rather increase.
- iii.** The NSDP II is regarded as a theory on paper without results on the ground. What is the Government doing for the country to be self-sustainable and reduce reliance on other economies?
- iv.** The presentation highlighted the 2021/22 Budget performance where revenue collection is M15.5 billion, which does not include the unspent cash at 31<sup>st</sup> March 2022. This seems to violate the principle of accountability by the government.
- v.** The presentation further highlighted promotion of food production and security through an agricultural subsidy valued at over M140 million". The concern was that the subsidy does not benefit Basotho as the inputs did not reach the intended population and there is no transparency in the distribution of agricultural inputs. Another concern was raised regarding procurement and selling of agricultural

inputs where both contracts were said to have been awarded to a single company.

- vi.** The Ministry of Finance has introduced the digital pen, which has been piloted at the Judicial Head Office with the intention to roll it out. The pen is not known to Basotho and as such every pen could be deemed digital by the user. This poses a possibility of not using the pen. Awareness campaigns regarding the digital pen and the receipt should be conducted for value for money.
- vii.** The 2022 General and Local Government Elections are anticipated to be held in September/October 2022 with a budget estimated at M269 million. There are speculations that the IEC has a budget of M79 million. With the estimated budget, is it possible that both elections will be undertaken this financial year?
- viii.** There was a concern on the government monies that are stolen by public officers, whether there is a system in place that clearly determines the amount of money lost due to theft.
- ix.** Under human trafficking, Lesotho graduated from the junk to the watch list status and efforts were made in order to successfully negotiate Compact II as combating of human trafficking was a prerequisite. Why is the government not massively undertaking all development issues as was evident in tackling human trafficking to safeguard Compact II?
- x.** The Thaba-Phatšoa Police Post has been completed but not yet operational. When will the station be handed over to the Thaba-Phatšoa Police to use?

- xi.** The government should consider reviewing monthly and sitting allowances of Councillors.
  
- xii.** The requirements to access funding under SADP Project are too high and unreachable by most of the public. The requirements need to be reviewed to enable majority of the intended population to access funding. The Selection criteria for funding should also be reviewed

**12. The following issues emanated from the discussions;**

- i.** There was a concern on whether the Decentralisation Framework has reduced the power bestowed on Public Servants so that they placed under the direct supervision and control of Counselors, and whether it has taken into consideration the review of Councilors and Chiefs' salaries/monthly allowances.
  
- ii.** Under Youth Apprenticeship Programme;
  - a)** Funds allocated to local councils for the bush control programme are diverted to the maintenance of community council roads, which raises concerns on whether periodic accountability, monitoring and evaluation of the use of government funds is undertaken.
  
  - b)** The Local and Community Councilors who are responsible for development issues in their demarcations are not included in the hiring process, which is deemed to have a political influence. The Council's office stamps are also used in the process, without the council's consent.
  
  - c)** Review the way in which the youth apprenticeship programme has been conceptualised. The Councils have their development plans and funds allocated to this programme should be used to finance what has already been planned.
  
- iii.** There was also a concern of the monitoring and accountability of funds allocated to agricultural subsidy. Whether monitoring is regularly undertaken, and the ministry does account for the funds spend.

- iv.** The 2022 General and Local Government Election’s budget is smaller than what has been indicated by IEC as the estimated cost of the national elections alone.
- v.** Construction of a tollgate at Lekokoaneng and its proceeds should be managed by the Councils for maintenance of local roads and construction of speed humps to reduce road fatalities.
- vi.** The presentation depicts a lower development expenditure against recurrent expenditure. This is quite a challenge and needs to be addressed. One of the measures to address this challenge could be by cutting the youth apprenticeship budget to increase the development budget.
- vii.** The Ministry of Finance should also allocate enough funding for procurement of working tools e.g. under the youth apprenticeship programme, necessary tools should be provided to the councils for public works.
- viii.** The Main North I road is considered a highway but there is high congestion along the Teyateyaneng Town. To avoid unnecessary traffic passing through this town, construction of an off-ramp road from Teyateyaneng, Ha Fusi taking motorists through the Phuthiatsana River (near Kolonyama) should be considered.
- ix.** Regarding fiscal decentralisation, how is the transfer of power going to be undertaken among the three councils; district, urban and community? Are all the councils going to be given the power to manage their allocated funds?

- x.** There is a dire need for the construction of the following infrastructure;
  - a)** Council's and Area Chief's offices.
  - b)** Roads, water and electricity in Bela-Bela and other community councils. There is also a need for construction of footbridges in the villages located between rivers, in the Mosalemane constituency.
  
- xi.** There was a concern on whether the design of the digital pen is not in such a way that it would allow users to continue to pocket public funds?
  
- xii.** Civil Servants employed at council level earn more than the councilors and this makes it difficult for the councilors to manage civil servants.
  
- xiii.** Construction of the Tsereokane road was included in the budget in one fiscal year but to date no construction has started.
  
- xiv.** Mapoteng council, though not urban, has developed and needs to be allocated funds for waste management.
  
- xv.** Due to the prevailing war between Russia and Ukraine;
  - a)** The pump price of fuel and the price of food have increased drastically. The government should consider subsidising the price of staple foods to ease the burden of price escalations, especially for the poor and vulnerable society.
  - b)** The government should consider construction of fuel strategic reserves to minimise future shortage of fuel.

## **Mafeteng 13/06/22**

### **13. The following issues emanated from the discussions;**

- i.** There was a concern on the five percent (5%) salary adjustment across the board, yet the Members of the Parliament and Senators have privilege to review and amend their salaries and allowances if they deem necessary, disregarding the inflation and availability of funds.
- ii.** The progress on the construction of the Makhaleng Dam which is expected to supply water to Mafeteng and its neighboring villages and to Botswana is unknown by the community and it is not included in the 2022/23 budget.
- iii.** There were some talks about the construction of the wind power station, which apparently requires tree planting. This was a good plan, which would increase electricity generation and connection in the district. However, there has since been no progress on this project.
- iv.** There is a need to review councilors allowances and the same methodology used in determining Members of Parliament's petrol allowances be applied.
- v.** There is a delay in payment of councilors' salaries/allowances
- vi.** The Disability grant as well as Disaster Fund should be increased.
- vii.** There seems to be no clear indication on the construction of the Tsoaing Bridge, which makes one wonder if it is included in the budget or if it is just another pipe dream.

- viii.** There was a concern on the rapid development of housing structures on land earmarked for agricultural purposes. To overcome this challenge, the government should consider encouraging Basotho to allocate and acquire residential sites along the foothills where necessary.
- ix.** In order to increase revenue collection, prohibitive penalties must be imposed on anyone who is found guilty of the infringement of the rules governing reserved grazing lands.
- x.** There is inadequate supply of yellow plant equipment and the Government should procure enough plant per district
- xi.** The government should consider increasing the agricultural subsidy, as there is a minimal impact on the current initiative.
- xii.** Tree planting initiatives should be reintroduced in order to reduce soil erosion, which has led to more dongas in the past rainy season also in order to address the issues of climate change.
- xiii.** The number of OVC's has increased exponentially and most of them are excluded from the grant. Further, the amount given as OVC grants should be increased to cover the basic needs.
- xiv.** Mafeteng has various tourism destinations, which can be used to enhance revenue collection if regulated properly.
- xv.** There is plenty of various natural resources in the district, such as clay (for manufacturing tiles) and diamonds, which can be used to



enhance revenue collection. The Kolo mine has been shut down and the residents of Mafeteng are not aware of the reasons for its closure.

- xvi.** Mafeteng is notorious for gun-related criminal activities, which are believed to be a result of lack of employment opportunities. These criminals usually flee the country and are never put to order, due to lack of resources.
- xvii.** Mafeteng is endowed with water from unprotected springs, the villages do not have running/tap water hence there is a great need for construction of water taps.
- xviii.** There is a high unemployment rate especially among the youth, the government should consider construction of factory shells for production of clay tiles which could alleviate poverty. This initiative should be included in the preparation of the coming NSDP.
- xix.** SADP should revise the selection criteria of farmers who are eligible for funding, as the minimum amount required to access the grant is currently too high therefore favoring those who are already well off. There is further no secure market for farmers to sell their produce.
- xx.** There is already engagement of labourers for construction of the Mafeteng-Thabana-Morena road, but it could not be established whether the road is included in the 2022/23 budget.
- xxi.** At the council level, a significant amount of money is collected from usage of public toilets, all of which is deposited into the main revenue account, leaving nothing for the maintenance of these assets. It is therefore crucial to leave part of these funds at council level.

- xxii.** The Ministry of Local Government and Chieftainship as the name suggests, is mandated to strengthen administration of local government and chieftainship but in terms of budget, the chieftainship issues are lagging behind.
- xxiii.** The government should fast-track construction of Area Chiefs' offices.
- xxiv.** Due to insufficient resources allocated to waste management, the district is highly untidy and as such, the Ministry should consider increasing the budget, which will enable employment of additional waste management personnel.
- xxv.** Footbridges along the Makhaleng River have been washed away by heavy rains recently experienced, but they are not included in the 2022/23 budget.
- xxvi.** Mafeteng bus terminal was budgeted for in the last fiscal year but funds were retired.
- xxvii.** There is a dire need for construction of urban roads in the district.
- xxviii.** There seems to be lack of enforcement with regards to tax compliance by businesses owned by foreigners, which results in huge revenue loses.
- xxix.** Councilors' and Chiefs' allowances should be reviewed.

## **Mohale's Hoek 14/06/22**

### **14. The following issues emanated from the discussions;**

- i.** There is a dire need for construction of the following roads and bridges;
  - a)** Seaka-Ketane, Ramosothoane-Ketana and Mohale's Hoek-Mpharane-Liphiring tar roads as well as a tar road that connects Senqu/Senqunyane to Thaba-Tseka.
  - b)** The Motse-Mocha to Thoteng urban road is incomplete due to insufficient funding. There is also a need for construction of urban roads within the Mohale's Hoek town.
  - c)** Shalane-Potomane bridge was included in the 2019/20 budget but there has been no progress to date. Phuthing-Matsoeteng footbridge, Raseboto-Ramakholela bridge over Ketane river, main bridge at Qalane-Sekake.
- ii.** Council representatives should do nominations of projects eligible for the SADP funding. The current criteria does not serve the project's intended purpose, as it favours certain individuals. Furthermore, the prerequisite amount required for one to get funding is too much, therefore should be revised.
- iii.** There is a need for public toilets at the Mohale's Hoek bus terminal as well as water connection and public toilets at Qhoasing.
- iv.** Penalties imposed on offenders of the reserved grazing lands are too low. Revising them upwards can enhance revenue collection.
- v.** Construction of offices for Chiefs as well as provision of stationery is needed.

- vi.** The extraction of natural resources (sand, quarry etc.) from which revenue can be collected is not properly regulated, resulting in prospective revenue losses.
- vii.** Minimal regulation and mismanagement of government property (abattoir and other buildings) have led to the illegal use or capture of these assets, by private entities.
- viii.** The coal and diamond mines in various constituencies (Mahase, Bulu-Bulu, etc.) can be sources of revenue collection if regulated properly.
- ix.** Allowances of Chiefs should be reviewed
- x.** Liphiring has a prospective border gate which people are currently using to smuggle some goods into the country. Furthermore, there is a nearby Police Post, Health Centre and surrounding schools. nevertheless, there is minimal infrastructure in the area such as electricity, water and access roads.
- xi.** There is need for construction of a dam at Maphutseng, which will supply water to Mohale's Hoek and Quthing, taking advantage of the existing catchment. There is also a need for a water reservoir at Letlapeng where there is a sponge pipe developed early by the Germans.
- xii.** Morifi should be considered for tourism attraction and revenue enhancement, as it is the highest lowest point in the world.
- xiii.** Construction of a public hall is essential in the district.

- xiv.** Procurement of yellow plant equipment is necessary
- xv.** The disability grant should be reviewed to offer grants to all disabled persons regardless of the nature of the disability.
- xvi.** The funding allocated to councils is continuously decreasing and this hampers the rate of development.
- xvii.** There is a need for a tollgate at Brakfontein.
- xviii.** There is a need to develop a legal framework that would guide penalties imposed on vandalism of soil-erosion prevention schemes (tsenyo ea likhakilitsi le metselitsele).

**13. The following issues emanated from the discussions;**

- i.** The main roads should have tollgates, for revenue enhancement purposes.
- ii.** There should be interlinkage between the birth, death and pensions systems, to minimise the risk of issuing pension and social grants benefits to the undeserving population.
- iii.** The absence of Social Development workers at their offices delays services needed by pensioners.
- iv.** The current electoral model, which allows for coalition government contributes immensely to the large recurrent expenditure, therefore should be revised.
- v.** Letša-la-Letsie and Mount Moorosi are tourism attraction places, which can be considered for revenue enhancement if regulated properly. There was progress in the reservation of the Letša-la-Letsie for over 5 years but has since been abandoned.
- vi.** There is delay in distribution of cash to local councils. The 2021/22 4th quarter funds reached the councils in the last week of March 2022 and was retired within a week before it could even be accessed.
- vii.** Waste management is a huge issue in the Quthing town, most of which is brought about by traders and vendors. There is no legal framework governing waste management and it is recommended that traders and vendors should provide proof that they have cleared their waste bills before licenses/permits are issued.

- viii.** There is a need for integrated planning with respect to land allocated for residential purposes. The Department of Urban and Regional planning should work in collaboration with LAA, WASCO, LEC for improved site allocation.
- ix.** Carbon tax should be considered for revenue enhancement.
- x.** There seems to be issues or misinformation on tax clearance procedures at the Van Rooyen border post, thus leading to people illegally smuggling goods into country.
- xi.** There is a delay in payment of suppliers which leads to closure or bankruptcy of businesses.
- xii.** The annual budget ceiling provided is either declining or constant over years, regardless of purchasing power.
- xiii.** Release of funds to councils should be based on what has been budgeted for in the prevailing budget year.
- xiv.** The legal frameworks governing decentralisation are said to be before the parliament which is about to be dissolved for the general elections. With the remaining time, is it possible that the bills will pass before closure of the parliament?
- xv.** The country is faced with a high number of cancer patients who take time before proper diagnosis and treatment, and a little is done to provide local infrastructure and treatment.

- xvi.** The budget for the youth apprenticeship programme needs to be diverted to address issues already contained in the council development plans
- xvii.** For revenue enhancement purposes, the extraction of natural resources such as sand, quarry etc., should be properly regulated (by means of fees).
- xviii.** Heavy penalties should be imposed on individuals and businesses that build on prohibited land.



**14. The following issues emanated from the discussions;**

- i.** There is delay in the distribution of funds to local councils. The 2021/22 1st quarter funds reached the councils in October 2022 and this hampers progress.
- ii.** Electricity used in Qacha's Nek is mostly from South Africa, which experiences frequent power cuts and affect Qacha's Nek. Electricity connection is therefore needed.
- iii.** Some businesses are said to violate the tax laws by not paying what is due to the government. The government should strengthen its efforts in this regard and see to it that all businesses established within the country have operational bank accounts, instead of directly saving their monies in South Africa.
- iv.** Under the Wool and Mohair Project, farmers have in 2021 exchanged their livestock for improved merino rams and angora bucks and they have not yet received what was promised.
- v.** There is a delay in the transfer of the Gol Pension Contribution to Pension Fund, which results in a delay in the payout of councilors' pensions upon termination of their service period.
- vi.** The budget allocation to districts is continuously declining and cannot even accommodate waste management.
- vii.** Cannabis production can be considered for revenue enhancement.

- viii.** The construction of industrial firms in Qacha's Nek, which is close to Durban, can be considered for revenue enhancement.
- ix.** There are some wells, which have already been tested and were found fit to serve water-bottling businesses. These can be considered for revenue enhancement.
- x.** Mosaqane can be considered for diamond mining
- xi.** There are connectivity (network) issues, which hinder communication even in times of need (during theft/break-ins). Signal towers are therefore needed.
- xii.** Due to heavy rains experienced towards the end of 2021 and the beginning of 2022, footbridges have been washed away hence a need for construction of such bridges.
- xiii.** The Tebellong Bridge that is currently in bad shape is a gateway to the Tebellong Health Centre, which is needed by many. There is a dire need for construction/maintenance of this bridge.
- xiv.** There has been a public outcry on the government funds that are being stolen by civil servants and this led to a large sum of misappropriated funds. The Government is advised to revive legislation governing accountability of funds and imposition of penalties to the offenders. Heavy penalties should be administered on people who mismanage government funds.
- xv.** There is need for water connection in the villages.

- xvi.** There is a need for construction of a tertiary institution which will intern offer adult education (preferably offering evening classes).
- xvii.** Traditionally animal hides and bones are not preserved for better use except for cultural beliefs. It was recommended that the Government should learn from the case of Botswana and the sale of hides and bones should be used as a revenue enhancement measure.
- xviii.** The country has a lot of foreign debt, most of which has been acquired for non-developmental issues, therefore the government is advised to source external financing for infrastructure development, which has a high impact on revenue generation.

**15. The following issues emanated from the discussions;**

- i.** The time allocated for the workshop is not enough and does not allow in-depth deliberations. The presentation should be written in Sesotho and circulated a week before the meeting.
- ii.** Under youth apprenticeship programme;
  - a)** There are existing development plans drawn by the councils and the programme does not carry out the activities that are already planned for, but rather implement new initiatives outside the plan. It is advised that the programme should be re-conceptualized to implement what has already been planned.
  - b)** The programme should target the promotion of agriculture while also creating more job opportunities. The programme can be used to improve and create more orchards like the one in Mahobong (apple orchard).
- iii.** A comprehensive report should be presented indicating how the previous year's budget was used. Proper Monitoring of government funds should be undertaken and made public.
- iv.** Most foreign owned businesses are said to violate the tax laws by not paying what is due to the government. The government should strengthen its efforts in this regard and see to it that all businesses established within the country have operational bank accounts, instead of directly saving their monies in South Africa.
- v.** The government has had a plan of constructing the Makhaleng dam, but the 2022/23 budget is silent on the progress of the dam.

- vi.** As revenue enhancement measure the government should consider;
  - a)** Construction of residential flats.
  - b)** Construction of a wool and mohair processing plant, for processing of lanolin oil and other by-products. Studies have shown that South Africa is doing well in this regard and the Country could learn from what has been done in South Africa.
  - c)** Review of penalties imposed on the infringement of the law governing the reserved grazing lands. The penalties are too low and seem to encourage perpetrators to violate the law.
  
- vii.** Development Fund for Councils;
  - a)** The progress on the implementation of the councils 5-year plan is slow since the budget allocated to the programme is not based on the planned activities
  - b)** Funds allocated to the Programme are mostly used at community level, yet the Ministry of Finance does not have a working relationship with councils
  
- viii.** Councils' funds are managed at the Ministry of Local Government and Chieftainship, yet there are district councils with clear structures and competent personnel at district level to perform the management task.
  
- ix.** There was a concern on the methodology in which bridges washed away by heavy rains have been treated;
  - a)** In terms of budget reallocation, the COVID-19 was highly prioritised and this differs from how the heavy rains disasters e.g. bridges, have been treated yet they are both disasters. They ought to have also been prioritised as they affect human lives.

- b)** In the past, the Ministry of Public Works used to engage labour-based system for regular maintenance of roads and the system was withdrawn. This led to poor road maintenance and the government is advised to reconsider this decision and reinstitute engagement of the labour-based system for routine maintenance.
- x.** The budget is presented before the Parliament in February, appropriated on the 1<sup>st</sup> of April yet there is not enough cash to be disbursed in April, hence the delay in allocation and distribution of funds to undertake development programmes. The Ministry of Finance should work tirelessly to address this challenge.
- xi.** Semonkong farmers incur losses due to lack of silos and warehouses to store their perishable produce i.e., potatoes, cabbage and fruits. This makes it difficult for the produce to reach the intended market in Maseru urban, in good conditions. Assistance is therefore needed.
- xii.** From the collection derived on the sale of water from the Metolong Dam, a certain percentage should be given to the nearby communities for out-of-dam maintenance and safeguard of the infrastructure.
- xiii.** There is a need for maintenance of the existing yellow plant equipment and procurement of new yellow plant equipment.
- xiv.** There is a concern on the government property, i.e., residential sites which are being acquired by foreigners and this is evident in Maseru West. The government officials are advised to refrain from the illegal sale of government assets but rather embark on their development, as a revenue enhancement measure.

- xv.** All revenue collected from government structures situated in districts is deposited in the main revenue account and the government is advised to leave a certain percentage at council level for upkeep of the assets in question.
- xvi.** Management of government buildings should be put in the hands of the respective councilors.
- xvii.** Metolong has nice stones and thatch (straw), which are transported to South Africa. These natural resources can enhance revenue if properly regulated.
- xviii.** Agriculture is regarded as the priority in provision of food security and poverty reduction. There is a delay in the distribution of fertilizers, and this results in a delay in planting, hence poor harvest.

**16. The following issues emanated from the discussions;**

- i.** Sewage is constantly flowing in town, yet WASCO is mandated to manage water and sewage. WASCO's waste management is not effective, therefore its mandate should be reviewed.
- ii.** The burden of migration (urbanisation) falls on the urban council, which depends on funds transferred from the Community Council. The funds should be directly transferred to the urban council to ensure efficiency. There are district and urban councils, but urban councils get funds from community councils.
- iii.** The youth apprenticeship programme budget for non-graduates should be diverted to agriculture, as more income can come from farming.
- iv.** The government should legalise the use of funds obtained from illegal mining in South Africa (Zama-Zama), as the Government usually bails out these miners whenever they are in trouble.
- v.** There are no receipt books for revenue collected in the districts.
- vi.** The government should consider construction of tollgates along the Pitseng-Katse and Maseru-Thaba-Tseka roads leading to Katse and Mohale dams.
- vii.** It was suggested that for development of the Thaba-Tseka district, LNDC should construct rental buildings in the form of a shopping complex.



- viii.** Tenders and contracts are said to be awarded based on political affiliation, yet we are advocating for private sector growth. The government is advised to award tenders and contracts on merits.
- ix.** The government has since 2017 owed the suppliers and to date there are still some outstanding invoices. The government is advised to fast-track payments of such arrears.
- x.** Paramedic studies are more crucial for enhancement of emergency services, yet the studies are not offered in the country and not even funded by NMDS elsewhere. The Government should consider funding paramedic studies, which will assist the emergency services.
- xi.** There is currently no clear indication of the responsibilities of the Urban and Community Councils, thus creating confusion and overlapping tasks in various functions.
- xii.** The budget allocated to councils is continuously declining, therefore hindering development initiatives.
- xiii.** There should be strict management of state-owned properties, some of which have been vandalised, while others have been taken over by individuals and private entities.

There was a concern on the government's move of constructing new industries at Belo, yet Tikoe industries are being shut down and people are being redundant. The Government is advised in this regard to look at possible ways in which the existing jobs could be secured while advocating for new private employment.

- xiv.** The budget is presented before the parliament in February and appropriated on the 1<sup>st</sup> of April. There is a delay in the allocation and distribution of funds to undertake development programmes as the last quarter warrant, which was issued in early January only reached the council on 12<sup>th</sup> March and was retired before it could even be used. This poses a challenge in undertaking development issues.
  
- xv.** There was a concern as to whether the Ministry of Finance has plans to enhance revenue at district level, since the councils have a clear development plan and natural resources such as stones, minerals, and indigenous plants.
  
- xvi.** The legal frameworks governing decentralisation were made without consultation with the local councillors, yet they are part of the implementing agencies. The government is advised in future to consult with relevant stakeholders.
  
- xvii.** A comprehensive report should be presented indicating how the previous year's budget was used. Proper Monitoring of government funds should be undertaken and made public.

## Recommendations

- i.** Priorities and allot funding to the heavy rains' disasters.
- ii.** Fast-track the release, allocation, and distribution of funds to councils.
- iii.** Resuscitate all the offline toll-free numbers; the Old Age Pension, Mokhosi, etc.
- iv.** Review the legal frameworks governing infringement of the rules governing reserved grazing lands.
- v.** Re-conceptualised the Youth Apprenticeship Programme.
- vi.** Enforce tax compliance to all foreign owned business.
- vii.** Review Councilors' and Area Chiefs' mandate and their allowances
- viii.** Priorities Waste Management
- ix.** Sensitise the public on the use of the digital pen.
- x.** Develop capacity building programmes on poverty alleviation and digitisation of government services.



# THE KINGDOM OF LESOTHO

---

**Published by;**  
**Ministry of Finance**  
**Government Complex**  
**Finance House**  
**Kingsway Road**

---

*contacts;*

**22310964**

**mof.budgetcontroller@gov.ls**