



THE KINGDOM OF LESOTHO

MINISTRY OF FINANCE AND
DEVELOPMENT PLANNING



2024/2025

**PRE-BUDGET
CONSULTATIONS
REPORT**

Contents

Abstract.....	2
i. Introductions	2
ii. Welcoming and opening remarks.....	3
iii. Introductory remarks by MFDP	3
iv. Remarks by Development Partners.....	4
v. Presentations	5
vi. Expectations and discussions by district.....	7
a) Qacha’s Nek	7
b) Thaba-Tseka.....	9
c) Mokhotlong	11
d) Quthing.....	13
e) Mohale’s Hoek	15
f) Mafeteng.....	17
g) Butha-Buthe	18
h) Leribe	20
i) Berea.....	21
j) Thaba-Bosiu.....	23
vii. Recommendations.....	24
viii. Conclusion	25

Abstract

1. The district pre-budget consultations presents a condensed summary of the preliminary discussions and engagements held with various stakeholders and community members before the formulation of the budget. These pre-budget consultations aim to gather early input and insights on budgetary priorities, challenges, and aspirations from a wide range of participants. The report provides an overview of the key themes, concerns, and suggestions that emerged during the consultations, highlighting the diverse perspectives and priorities expressed by the communities. By incorporating this valuable feedback into the budget formulation process, the aims to ensure transparency, inclusivity, and responsiveness in addressing the needs and aspirations of the people.

i. Introductions

2. The 2024 pre-budget consultation meetings were for the first time, held successfully in all the ten districts, from the 6th June to the 3rd July 2023. The overall goal of these consultations was to improve participatory budgeting, by engaging the citizens through their local government representatives on the budget process, providing feedback on the performance of the 2022/23 budget, sensitizing the citizens on the 2023/24 budget, as well as gathering the citizens' views on policy direction for the 2024/25 budget.
3. The audience comprised of, the Chiefs, District Administrators, the Urban and Local Councils, District Council Secretaries, Community Council Secretaries, Business Community, Media, as well as Civil Servants at district level.
4. Since the commencement of this initiative in 2019, the United Nations Children's Fund (UNICEF) has been the only Partner offering financial and technical support for improved participatory budgeting. One of the landmarks, is the workshops meant to capacitate the Citizens, Youth and students, Media, NGOs, Civil Society, and the public sector on the importance of public participation, accountability, as well as oversight in government endeavors.
5. The results of these workshops have garnered the Ministry additional support from the civil society organisations as well as the banking sector. In this year's meetings, the Development for Peace Education (DPE) and the First National Bank (FNB) increased the pool of support for the Ministry and became part of the team to gather the citizens' opinions, in

view of policy direction for the upcoming Budget Strategy Paper. This is quite an improvement on the Ministry's side and a vote of thanks is directed to all our partners. The Ministry calls upon additional support, as many hands make light work.

ii. Welcoming and opening remarks

6. Both remarks were delivered by either the Chief, the District Council Secretary, or the Chairman of the District Council. They all acknowledged the initiative undertaken by the Ministry as it signifies the importance of the local government as representatives of the citizens. They emphasised on the need for a functional local government to better meet common needs of the communities. It has been years since the Local Government Act/Bill has been amended and submitted to the Parliament for approval, yet it has not been enacted hence the poor service delivery.
7. One of their aspirations was that they hope the presence of the Ministry will bring change in the budgetary allocations to the local government. In the event of declining resources where Councils are allocated insufficient funding to provide improved services to the citizens as stipulated in Schedule 2 of the Local Government Act 1997, enactment and implementation of amended law is crucial as it would pave way for development of the Local Government By-Laws, which upon their implementation, councils would be able to generate their own revenue.

iii. Introductory remarks by MFDP

8. The remarks were presented by different senior officials from the Ministry of Finance and Development Planning (MFDP). In their remarks, they appreciated the attendance of the local authorities and acknowledged a considerable increase in the number of participants over the years. They further indicated that according to a global independent evaluation undertaken by the Open Budget Survey (OBS), through UNICEF's support, the Government is striving to improve its budget transparency through public participation, accountability, and oversight. However, progress on participation, community parliaments, and social accountability interventions, has yet to materialize, in terms of improved global ranking for Lesotho.
9. In order to fully achieve budget transparency and realise the benefits thereof, the Ministry has initiated these consultations to get the citizens' views on:

- a. What improvements can be made to the budget to deal with the challenges of long-term fiscal sustainability?
 - b. How should Lesotho finance her key priorities?
 - c. What are the two main priorities that should be included in the budget for your district and why?
10. The local authorities' views are meaningful as they will pave way for the development of the 2024/25 budget policy. The local authorities were then requested to further indicate;
 - a. Their expectations and what they envisage for their respective districts; what is their vision for their districts.
 - b. How they are going to contribute to the economy of their district
 - c. What are the sources or drivers of the economy in their district?
11. Answers to the above questions, in combination with the three district priorities identified, they will then form part of the district policy issues which will be tackled, to ensure economic growth, both at district and national level.

iv. Remarks by Development Partners

12. Having been the only sponsor since the commencement of this initiative, the United Nations Children's Fund (UNICEF), while giving its remarks emphasised that a budget is an open process which must be inclusive of other sectors and that participation of children in the process is a cornerstone of their focus. They believe children should be included during the consultations, their programmes should be allocated enough resources and should be explicitly reflected in the budget.
13. Furthermore, Pre-budget consultations are important as they allow other stakeholders to participate in the budgeting process. The Central government should know and understand how the local authority thinks and to incorporate their views in the budget processes, as policy issues. UNICEF appreciated the steps the Department of Budget has taken in the past three years, congratulated them for good work and wished the meetings fruitful deliberations going forward.
14. Development for Peace Education (DPE) in persuasion of its principles of good governance also gave its remarks. In their remarks, DPE expressed its appreciation on the engagement of the relevant stakeholders, especially

local authorities who lead the development work undertaken at community level.

15. As the organisation, they have initiated the National Community Parliament, where ordinary citizens participate in emulating the National Assembly where officials come and listen to the citizens' issues. This is a process where communities prioritise development issues which they believe should be prioritised in the government budget. The local authorities were encouraged to fully participate in this process as part of their role is to represent the community in development issues, therefore it is also important to participate in the budget formulation, to present what is needed at community level.
16. The First National Bank (FNB) made its remarks by first congratulating the MFDP for this initiative and emphasized on its alignment to the NSDP II. The bank went on to share how its collaboration with MFDP in this initiative brings it closer to the people, where it can learn about the different needs that it may have overlooked or have not been aware of and how it can be of assistance, as their slogan "How Can We Help You" suggests. In addition to other initiatives FNB is already involved in with other ministries, as part of its social responsibility, the bank wants to expand its horizon by engaging in the consultations where majority of the citizens are represented.

v. Presentations

17. Two presentations were made on, firstly, the Budget Calendar which starts in April and ends in March as per the Government's fiscal year. Having realised in the past consultations and other engagements, that the local government and the citizens have limited knowledge on the budget process, the Cabinet decisions and the legislature governing the budget, the MFDP saw it fit to introduce a presentation on the budget calendar. The purpose of the calendar is to indicate different milestones to be achieved and the roles played by the MDAs, the Ministry of Finance and Development Planning, the Cabinet as well as the Parliament in budget preparation and approval process. Further, to demonstrate the responsibilities of each stakeholder at different timelines in a fiscal year. The first milestone, the pre-budget consultations which were supposed to have been undertaken in April or May were delayed, due to administrative issues.

18. Secondly, the main presentation which highlighted the NDSP II (extension) priorities and their strategic focus. Since the development of the NSDP II 2019/20-2023/24, Lesotho's economic landscape has undergone tremendous changes due to challenging global and local environment, characterised by the effects of COVID-19 pandemic, climate change, political instability, and the Russia-Ukraine war. These challenges to some extent made it difficult to implement the plan accordingly and contributed to weak performance of our economy.
19. The NDSP II extension will be refocused to accommodate those challenges and the strategic focus will investigate what needs to be done, given the limited resources, to achieve inclusive, sustainable and equitable growth and create private sector-led employment for Basotho. More effort is needed to transform the country from a consumer-based economy to a producer and export-driven economy, through alignment with Food Security and Agriculture, Industrialization, Development Finance and Extractive Industry.
20. The presentation further highlighted the 2022/23 budget and how it performed; the synopsis of the 2023/24 budget with sectoral allocations and what is intended to be achieved. The 2022/23 budget had projected revenue collection at M17.6 billion while the preliminary budget performance report indicates a collection of M15.7 billion reflecting an underperformance on tax revenue of around M2 billion.
21. On the expenditure side, the total expenditure was estimated at M24.8 billion, of which M18.1 billion was recurrent, while M6.8 billion was development expenditure. Preliminary reports indicate a total actual expenditure of M17.2 billion, of which; recurrent expenditure is M16.0 billion and the GOL contribution towards development expenditure is M1.2 billion.
22. The 2023/24 budget has projected revenue collection at M25.1 billion while total expenditure is estimated at M24.1 billion. The recurrent and development expenditures are estimated at M17.8 billion and M6.3 billion, respectively. There is a projected fiscal surplus of approximately M1 billion.
23. The consultations were conducted in an interactive manner, to increase participative engagement and involvement of the citizens. The delivery modality had to be reviewed on the move, to aid discussions and improve

a collectivism approach, to ensure that decisions made would benefit all the people in the districts.

24. Referring to paragraph 8 and 9 above, a top-down approach in determining the aspirations of the citizens was adopted. Five district priorities or aspirations were sought from the audience, after which it would then be easier to break them down to smaller units (councils and villages), for implementation which will benefit all residents in the district. Furthermore, the audience was asked how, in the event of fiscal decentralisation would they be able to finance the district's needs, given the declining revenue collection from the Central Government.

vi. Expectations and discussions by district

a) Qacha's Nek

- i. Invitation of local councils to the budget discussions should be explicit and not be assumed that the Ministry of Local Government, Chieftainship, Home Affairs and Police will invite the councils as it is not the case.
- ii. Procedurally, the community councils are mandated to construct a 60 km road, however the Lebakeng Road is more than the above parameter and its scope is too big for the council to handle, therefore recommended that it be undertaken by Central Government.
- iii. The 2023/24 budget is silent on the developments to be undertaken in the district and this is an unfortunate situation as there are quite a lot of footbridges affected by heavy rains which need to be attended to.
- iv. There is a need for an upgrade/construction of a road that connects Qacha's Nek and Thaba-Tseka districts as well as the Sehlabathebe National Park.
- v. Allocation of funds to councils for maintenance of roads constructed by the central government is needed.
- vi. The youth in the Qacha's Nek district have been registering for consideration in the Youth Apprenticeship Program but have not been attached anywhere.
- vii. Due to the district's dependence on electricity connection from South-Africa, load-shedding has weighed heavily on the Qacha's Nek residents and further poses a great risk on the people as the power-cuts are haphazard.
- viii. Waste management in councils where economic activity is booming is an issue e.g. Qanya. Only the urban council is allocated funds for waste management, even though it already has a protected dumping site.
- ix. There is a need for shelter or a marketplace for street vendors, which can be funded by the funds budgeted for a bus terminal, since the district already has one.

- x. Construction of a bridge giving way to the Tebellong and Machabeng hospitals is needed, to ease transportation of patients between the two hospitals.
- xi. Storage for the proposed increase in agricultural produce intended for exportation is needed.
- xii. Funds for maintenance of chiefs' and councils' offices are needed.
- xiii. The Government should consider collecting taxes from privately owned and rented housing units (malaene).
- xiv. Construction of a road joining Tebellong and Libobeng is needed, as well as a bridge joining Lijabatho and 'Melikane villages.
- xv. The district needs a tertiary/vocational institution.
- xvi. There should be law enforcement on foreigners (Indians and Chinese) who man the cash registers (tills) instead of employing locals for such, as a result this hinders job creation.
- xvii. Communication networks are needed in hard-to-reach places such as 'Melikane, for dissemination of information during stock theft.
- xviii. There are only two Network providers in the country, who seem to not cope with the load, the Government should therefore consider bringing in a third one to offload the existing ones.
- xix. Budget allocation from the Development Fund for Councils is shared equally across all districts. Qacha's Nek has the most hard-to-reach places, which seems to not be factored in when allocation of funds is done. This anomaly needs to be corrected.
- xx. The Bus Terminal Project which the district council has no information about, is handled and controlled by the Urban council, when there are other growing councils within the district which would benefit from the project.

b) Thaba-Tseka

- i. Most often than not, plans are made, and budget estimates are prepared yet implementation as well as monitoring of government funds is still a challenge. There are no developments on the ground, yet public funds are being spent.
- ii. Construction of schools and roads should be done in consultation with the respective councils, to ensure involvement of every stakeholder. Whenever respective Ministries and/or their partners bring in development projects in councils, they sometimes do so without consulting the councilors, this can be seen as one of the reasons that lead to mistakes in identification of sites for such projects.
- iii. Implementation of decentralization is key to the councils' progression.
- iv. The civil servants' welfare seems to not be taken into consideration when adjustments to employee compensation are being made, as the mountain allowance has always been set at M275.00, which does not cover the costs incurred by those civil servants who work in remote areas.
- v. Construction of offices for chiefs and Early Childhood Care and Development (ECCD) centers is needed.
- vi. Water and Electricity connection is needed.
- vii. Construction of tollgates to Katse and Mohale Dams is recommended, for revenue enhancement.
- viii. The MFDP is advised to return for a second round of budget consultations with a new cohort of councilors, after the local government elections.
- ix. Budget allocation from the Development Fund for Councils is allocated equally across all districts.
- x. There is a delay in the release of budgeted funds and actual receipt of cash in the district bank accounts. This hampers development as planned activities are not effectively and efficiently implemented.
- xi. It has been a while now that the Thaba-Tseka community has since been engaged in likhakeletsi. There is a need to revitalize Likhakeletsi as they assist community in poverty alleviation.
- xii. There are many farmers in Thaba-Tseka who rear and frequently slaughter livestock, therefore there is a need for a firm/factory which processes animal hides and skins to produce bags and other commodities.

Revenue enhancement measures

- a) The district has a lot of hills which can be flattened through development and sale of crushed stones.

- b) There are a lot of herds which are unclaimed after being detained at Sekete for a long time. It is recommended that they be sold after a stipulated period has expired, if not claimed
- c) Construction of tollgates
- d) There is no transparency in the sale of Lesotho diamonds as they are sold outside the country raw as they are. It is recommended that the value chain mechanism be developed for job creation and increased growth.

c) Mokhotlong

- i. Construction of a road connecting Mokhotlong to Thaba-Tseka is needed, for ease of access to the Thaba-Tseka Technical Institute (TTI) as well as travelling between the two districts.
- ii. The implementation of decentralisation will fuel job-creation and crime prevention.
- iii. Office equipment, vehicles and stationery for the chiefs' and councilors' offices, as well as for those tasked with land allocation/distribution.
- iv. An abattoir and public toilets are needed in the district.
- v. Stock theft is on the rise, therefore a helicopter is needed in the district, to enable rapid response from the police who usually arrive late at the crime scene, due to a shortage of cars and accessibility hurdles.
- vi. Security for local animals which graze along the South African borders, which when stolen and taken to the other side, are never recovered.
- vii. The Sani border post should be commercialised.
- viii. Electricity connection around the district should be from Poli-Hali, as it is not or is less prone to power-cuts.
- ix. Increased budget ceilings for both recurrent and development expenditure for ease of implementation of the councils' development plans
- x. Reconstruction of 16 bridges which were washed away by the heavy rains is needed. The unavailability of these bridges hinders usual council sittings and other business.
- xi. Toll gates or frequent roadblocks are needed to reduce stock theft.
- xii. There is need for Agricultural Extension Officers in villages to help increase agricultural production and to advice on climate change resilient farming methods and inputs (seeds).
- xiii. Communication networks in remote areas are needed, to curb livestock theft.
- xiv. As a social responsibility measure, the Poli-Hali project should build a community hall and village roads.
- xv. There is a need for the district community radio station.

Priorities

The following are the priorities and are not in order of importance;

1. Rural roads
2. Security to combat stock theft
3. Bridges
4. Electricity connection
5. An abattoir

Revenue enhancement measures

1. Payment of fees for land acquisition
2. Review the fees and charges accrued from grazing lands as well as those charged for the livestock detained in the chiefs' custody.
3. As a social responsibility, the Poli-Hali Project should build a community hall for the district and fees and charges accrued from using the hall will increase revenue collection.
4. Development and implementation of the By-Laws to enable the sale of locally attainable resources, e.g., crusher stones, sand, etc.
5. Localise the sale of wool and mohair and during the shearing of goats and sheep, a certain percentage be retained at community level for development.
6. Protection of indigenous and medicinal plants and introduction of fees for their extraction.
7. Construction of cash crops market centres and VAT be introduced on such produce.
8. Areas where there are traditional herbs and indigenous plants should be protected, and fees charged for the extraction and usage of such plants.

d) Quthing

- i. Entrepreneurs (caterers) should be allowed the liberty to set prices as they are the ones who know what the meals cost.
- ii. Construction and reconstruction of roads and bridges washed away by heavy rains in different councils (Mojanyane council, Ha Setoko bridge) including the pump-house to Sixondo road. There is also a need for Ha Mohlakoana Road along Senqu which will offload Lebelonyane road during closure owing to heavy snow.
- iii. Adjustments to Old Age Pensions pay day should be communicated in advance with chiefs to avoid any inconveniences on the elderly.
- iv. Monitoring of funds allocated to councils should be tightened, to avoid cases like that of the Mount Moorosi taxi rank which was allocated funds but never saw the light of day.
- v. Block farming should be resuscitated countrywide, to alleviate poverty.
- vi. Release of funds especially in the first and fourth quarters of every financial year and actual receipt of funds in the council bank accounts is delayed, while retiring of unused funds at the end of the financial year is quick.
- vii. Electricity connection and network towers for ease of communication. The unavailability of electricity in the Ha Sempe council has cost the business opportunities which required electricity connection within a specified radius.
- viii. Projects for job-creation for youth should be put in place, to reduce the crime rate, substance abuse and ill-treatment of Basotho youth who illegally migrate to South Africa, to seek employment.
- ix. The Tele bridge should be commercialized.
- x. There is need for stationery for the councilors' offices.
- xi. Water connection and communications network connections in the Telle and Kubung councils is needed.
- xii. Agricultural inputs are needed, to enhance productivity.
- xiii. Delays in payments to suppliers negatively affect their businesses.
- xiv. There is lack of enforcement of some of the laws governing land-use and sale of prohibited areas.
- xv. Sephuthing, Xhosa and Setebele should be made official languages. Healthcare facilities and courts should have the said languages' interpreters, for ease of communication of the Quthing people with the respective professionals.
- xvi. The Quthing district is not marketable as the buildings erected in its town are sub-standard and not befitting.
- xvii. The location of the town prohibits expansion and restricts economic growth due to human settlement sites within the area. The Government is advised to invest in land banking for future developments and growth.

Priorities

1. Roads
2. Household water connection
3. Electricity
4. Agro-industry
5. Communications Network
6. Languages Sephuthi, Xhosa and Setebele

Revenue Enhancement Measures

1. The abundant sand and water in the district can be used for production of glass and electricity, respectively. The district also has a large forest that can be used to produce timber for sale and other related produce.
2. Letša-la-Letsie should be rehabilitated and maintained regularly to boost tourism in the districts.
3. Quthing can produce fertilizer.

e) Mohale's Hoek

- i. Decentralisation should be implemented, for ease of control and implementation of plans i.e., construction of roads and extraction of natural resources.
- ii. Yellow plant or equipment for maintenance of roads as well as protective clothing for personnel operating the yellow plant are needed.
- iii. Social transformation of Mohale's Hoek residents and alleviation from poverty to better living conditions.
- iv. The allocation of funds to councils should be needs-based and not equal across board as the level of development, accessibility and the geographic location differs.
- v. Review the Chiefs' and Councilors allowances/salaries.
- vi. Review of the legal framework governing the revenue collection on grazing/pastoral lands as there is overlapping of duties between the Ministries of Environment and of Local Government. The review should also include fees and charges of the same.
- vii. Water connection, construction of roads such as Seaka-Ketane road and Mohale's Hoek to Hloahloeng road; and communication networks are needed. They would facilitate ease of doing business.
- viii. The Makhalleng border which currently opens at 08:00 and closes at 16:30 should be commercialized.
- ix. LNDC should provide capacity-building to small business owners in the district.
- x. There is no clear demarcation of responsibilities between the urban and community councils thus raising some issues in service delivery.
- xi. Renovation and furnishing of councilors' offices.
- xii. Equipment and stationery used in the sale of land is needed.
- xiii. District councils should be invited for ministerial budget discussions

Priorities

1. Agriculture
2. Roads
3. Water
4. Electricity
5. Communications Networks

Revenue Enhancement Measures

1. Implementation of the decentralisation policy will allow for development of by-laws which will assist to tap into new revenue streams.

2. Councils need bank accounts as well as a receipt book (e.g., community hall hire) to facilitate and record revenue collection.
3. The cannabis production license is expensive, thus favoring the rich. If made accessible to all, cannabis can be produced in large quantities and processed to make cotton.
4. If protected and developed, the waterfalls in Ketane and Mpharane can be used for tourism attraction and revenue enhancement.
5. Morifi should be developed, to attract tourism as it is the highest lowest point in the world.

f) Mafeteng

- i. Water connection in villages, especially at schools is needed. In some councils (Boluba-Teu) there are water harvesting tanks constructed through development partners' support and these tanks are remote from the villages.
- ii. Electricity connection is needed within the district.
- iii. Employment creation for the youth, through agricultural projects, to combat crime and reduce unnecessary vegetable (cabbage) importation.
- iv. Protection of Basotho youth businesses against unfair competition from foreign-owned businesses as well as job creation programmes for unemployed Basotho youth. Subsidies or financial assistance is needed to boost businesses owned by the youth.
- v. Review the Chiefs' and Councilors allowances/salaries
- vi. The Taxi rank/bus terminal needs to be renovated.
- vii. The industrial firms in Matholeng should be re-opened, for employment creation.
- viii. Construction of footbridges is needed, for ease of access to schools, which impacts school results.
- ix. Protective clothing for personnel operating the yellow plant is needed.
- x. Construction of a multipurpose dam over the Makhaleng river for water connection to neighbouring villages.
- xi. Wheat production is favourable in Mafeteng therefore the government should prioritise it.
- xii. The pensionable age should be revised downwards, to avail vacancies to be filled by the youth.
- xiii. Basotho partnerships are faced with a lot of challenges and are not sustainable, therefore financial grants from the government should not only be focused on partnerships, if they are meant to yield good returns.

Priorities

1. Job creation
2. Roads
3. Electricity
4. Freedom to control finances
5. Mafeteng Bus stop

Revenue Enhancement Measures

1. Receipt books are needed at council level, to facilitate collection of revenue.
2. Potential for diamond mines and clay for production of tiles

g) Butha-Buthe

- i. Financial and technical support to youth entrepreneurs is needed.
- ii. Implementation of decentralisation is needed, to enhance productivity.
- iii. Construction of Motete roads and electricity connection.
- iv. Councils should be capacitated on how to properly formulate and cost community council projects and be allocated enough funding to implement the same. The Development Fund budget for each council is M266,000 which is not enough to undertake functions of the Local Authorities as stipulated in Schedule.
- v. The Urban council should be given the autonomy to control revenue collected in the district.
- vi. The MFDP should undertake a study and identify development needs across the councils for informed and needs-based budget allocations.
- vii. Domestic producers are outcompeted by foreign (Indians) owned businesses therefore would like to be assisted with structures which will assist in bulk production.
- viii. Office working space is not conducive, due to the unavailability and/or dilapidated office furniture, absence of floor fittings and of heating devices.
- ix. Due to restricted expansion of the Butha-Buthe town which to some extent limits the district potential for growth, the Government should invest in land-banking and funds should be set aside to compensate landowners and ensure proper planning in upcoming industrial areas. The government was in 2018 advised to set aside funding for land-banking around the Belo industrial estate, to no avail, as this can be seen by the random structures and buildings that are currently booming around that area.
- x. Each council should have a bank account, to facilitate revenue collection.
- xi. Policies governing businesses need to be revised.
- xii. Butha-Buthe boasts as the economic hub of the country, as there are 15 mines, of which 5 are operational while others are awaiting prospecting licensing.
- xiii. Districts that have minerals should be allocated a larger share of the budget than others, as they contribute more towards the consolidated fund.
- xiv. The district is ready to refurbish the existing taxi rank and has identified new sites at Khukhune and Marakabei.

The Butha-Buthe We Want

A well-developed Butha-Buthe district with road networks, water connection and a conducive and safe environment for investors.

Priorities

1. Roads
2. Water and sanitation
3. Electricity
4. Jobs
5. Bridges
6. Land allocation

Revenue Enhancement Measures

1. There is a potential for construction of mines and extraction of diamonds in the Sekubu village, coal in the Likalaneng and Manamela villages, crude oil in Mechechane and hot springs which can be tapped into, for revenue enhancement.

h) Leribe

- i. Construction of roads and bridges (including footbridges) within the district is crucial.
- ii. Increase in the yellow plant fleet for construction of rural roads.
- iii. Implementation of decentralization for ease of service delivery.
- iv. Streetlighting is needed in Hlotse for purposes of showing an urbanised town and should also extend to rural areas.
- v. Water connection is needed across the district, more especially in the urban councils, to limit the risk associated with using contaminated water and poor sanitation.
- vi. Capacity building training for councilors on governance issues is crucial to better manage and improve the functionality, performance and service delivery of local authorities' structures.
- vii. Maintenance of buildings and equipment used daily is needed.
- viii. Chiefs' and Councilors' allowances should be increased.
- ix. Councilors should be allocated a fleet of vehicles to assist them in service delivery.
- x. The Ministry of Finance and Development Planning should be the first to pilot decentralization, as the Ministry is the custodian of the government coffers and is responsible for fiscal decentralisation.
- xi. Allocation of funds to different districts should not be equal but needs-based.
- xii. Leribe has abundant water, which can be used for drinking and irrigation; and strategies need to be put in place for collection and distribution.
- xiii. Urban councils are not represented in the district council, therefore their needs are sometimes not catered for or known by the district.

What resources is Leribe endowed with

Good land for agriculture, lots of water for drinking and irrigation, as well as Tourism attraction from Menkhoaneng, if well developed.

Priorities

1. Decentralisation.
2. Developed agriculture.
3. Water harvesting for irrigation.
4. Tools, equipment for agricultural production
5. Wool and mohair should be processed locally.
6. Market.

Revenue Enhancement Measures

1. Menkhoaneng can be used as a tourist attraction place, if developed.

i) Berea

- i. Construction of roads, bridges, schools and clinics across the district is crucial.
- ii. Councils should be given autonomy to control their funds, make their own budget and be allocated funds directly.
- iii. Provision of clean drinking water across the district is needed. The Makeoane council is the most vulnerable in this regard.
- iv. There is a well-documented plan with clear designs on the construction of road networks within the Berea town but due to limited funding, the plan has not been implemented.
- v. The pensionable age should be revised downwards to 60 years, to allow for other segments of the population who are excluded from targeted poverty alleviation and youth programmes to qualify for pension at an early age.
- vi. Waste management is an issue, due to lack of funds.
- vii. Disability grants should be given regardless of the severity of the disability.
- viii. The annual Cost of Living salary adjustment should differ across different salary grades, such that grades (A-E) gets a higher adjustment rate than grades F and above
- ix. Chiefs' and Councilors' allowances should be reviewed.
- x. Local Authorities be allocated funds directly from the MDFP not through the Ministry of Local Government.

The Berea, We Want

Berea with high economic growth, well-developed and have industrial estates for manufacturing; and is free of crime and theft (both human and stock)

Priorities

1. Access roads.
2. Good health system.
3. Agriculture.
4. Job Creation.
5. Relocation of the to the new area.
6. Board post

Revenue Enhancement Measures

1. Implementation of decentralisation and development of the by-laws will enable in the sale of resources which are currently being used without incurring costs

2. There is potential of crude oil in the district and a feasibility study is required to establish its viability, which once established will enhance revenue collection.
3. Revenue which could be collected from commercialized farming through the sale of produce is threatened by damage caused by illegal grazing as well as theft i.e., both human and stock theft.
4. Value chain production from wool and mohair

j) Thaba-Bosiu

- i. Local Authorities should be allocated funds directly from the MDFP not through the Ministry of Local Government.
- ii. Construction of minor roads in the Semonkong urban council is needed.
- iii. All revenue collected at council level is transferred into the consolidated fund, leaving nothing to the councils for maintenance of minor works (e.g., community taps).
- iv. There is lack of coordination between the urban and district councils some of which is attributed to absence of representatives (in case of Semonkong) in the district council, as well as failure to convene formal council's sittings.
- v. Electricity connection from the solar plant at the Moshoeshoe I international airport is not sustainable, which makes one wonder if it is worth the investment.
- vi. The newly proposed price catalogue seems to be posing problems, as the proposed prices are below market prices, which makes it difficult to procure some of the needed office necessities (gas).
- vii. Procurement of fleet (vehicles) and independent legal practitioners is needed for settlement of disputes arising from land allocations.
- viii. The MFDP should undertake extensive monitoring of government programmes as well as disbursement of funds and their receipt by the local authorities.
- ix. The representation of the Ministry of Local Government in the consultations is paramount as most of the issues raised has direct link with the Ministry.
- x. What role does the MFDP play in ascertaining that, once plans are made the budget allocations follow suit.
- xi. A huge amount has been invested at Ramarothole Solar generation project which has recently experienced soil erosion that threatens the solar panels. Was the Environmental Impact Assessment undertaken before the approval and commencement of the project? Is the envisaged generation capacity big enough to sustain the intended recipients or is the project the same as the one at Moshoeshoe I where the supply is not sustainable for the Airport. Furthermore, is the issue of storage, how the power going to be stored since facility is not available, yet the construction/building of the panels have been complete.
- xii. Both the Ministry of Local Government and IEC have been allocated funding for the upcoming local government elections and one of the activities which was supposed to have been undertaken by the ministry was electoral boundary delimitation. In the absence of new electoral boundary delimitation, there is a likelihood of conflicts between councils.

The Maseru We Want

Maseru with running water, easily accessible through roads network, has high agricultural production, jobs and electricity connection.

Priorities

1. Roads.
2. Water and Sanitation.
3. Electricity.
4. Agriculture.
5. Playgrounds.

vii. Recommendations

25. In response to the call by the MFDP of indicating district priorities, a “spur-of-the-moment” exercise was undertaken, though it was not researched, it served as the basis for development needs at grassroot level. Quite a number of priorities were identified, among which the top five (5) common development needs were;
 - a. Construction of access roads and bridges.
 - b. Expansion and connection of electricity.
 - c. Agriculture prioritization.
 - d. Provision of water and sanitation infrastructure.
 - e. Creation of jobs.
26. The above calls for development of District Development Plans which will inform programmes, projects, strategies and financial needs at district level. Since it would take time to develop the plans, in their absence, all government ministries should work together in assisting the local authorities to achieve their needs and the MFDP should mobilise and allocate enough funding for the achievement of such.
27. One of the impediments in district revenue collection and improved service delivery is failure to implement decentralisation. The delay in the enactment of the laws governing decentralisation comes at a cost to the nation and as such, enactment of the laws and implementation of decentralization including fiscal, for ease of service delivery is of paramount importance. This will assist in the allocation of funds directly to the districts and councils that will curb delays in service delivery while improving allocation efficiency.

28. Each and every year the Government spends around M120 million on Development Fund for Councils and Development of Rural Community Roads. The funds are distributed equally regardless of the developmental needs of each district and due to the large number of councils the country has, the development impact realised on the ground is minimal. It is therefore imperative to revisit the allocation criterion and consider other factors which might not be otherwise included.
29. Monitoring and evaluation is crucial for the success of community programmes and projects. It does not only provide information on the current progress but even what to anticipate in the future for informed resource allocation. All Spending Units including the MFDP should vigorously engage in this activity to ensure accountability; and to better understand and improve the effectiveness and efficiency of programmes, projects and activities resulting in higher-quality service delivery and anticipated outcomes.

viii. Conclusion

30. This year's meetings have revealed that there is lack of or limited coordination between the structures, from both central and local governments. There is a need to develop mechanisms and strategies to achieve a complementary performance while preventing inconsistencies and overlaps in the functions of all the structures. There is a need to develop district development plans to better understand the problems and potentials existing at district level district, as well as the future state of development. This will assist in understating how many resources are needed when they are needed. The MFDP will then be able to mobilise foreign resources for future developments which cannot be met by locally attained resources.
31. The local government is the backbone of development and is key in leading and supporting the creation of national economic development plans, which their success will have a direct positive effect on the community's t"} of new revenue streams which are otherwise not currently tapped into, and in maintaining, growing and improving local infrastructure and community services delivery.
32. In light of the above, the MFDP is expected to play its role of assisting districts to develop well researched and costed plans and provision of funding for implementation of such plans. Further, to undertake extensive

monitoring and evaluation of government programmes and projects to ascertain that public funds are used for the benefit of the nation and corrective measures be taken for noncompliance to financial laws.

33. Nonrepresentation of the Urban Council at District Council is one of the impediments of information dissemination within the local authorities' structures, as well as the parent Ministry. This makes the local authorities oblivious of developments in the district. A typical case is that of the bus terminals project.



THE KINGDOM OF LESOTHO

Published by;
Ministry of Finance and
Development Planning
Government Complex
Kingsway Road

 2231 0964

 mof.budgetcontroller@gov.ls

