



# 2021/2022 HEALTH SECTOR BUDGET BRIEF

*"Building a nation in which every woman, man, CHILD, and adolescent in every setting realizes their rights to physical, mental health and well-being, has social and economic opportunities, and is able to participate fully in shaping sustainable and prosperous communities."*



# table of Contents

KEY MESSAGES 2

---

INTRODUCTION 2

---

HEALTH SECTOR SPENDING 5

---

BUDGET EXECUTION AND CREDIBILITY 7

---

FINANCING FOR HEALTH 7

---

COMPOSITION OF PARTNERS FINANCING FOR  
HEALTH SECTOR 8

---

DECENTRALIZATION AND HEALTH SPENDING 8

---

KEY TAKEAWAYS 8

## KEY MESSAGES

- The Government of Lesotho has taken significant steps to address access and quality of primary health care services.
- Over the years, there has been significant annual increases in the allocation of financial resources to the health sector.
- Health outcomes remain low, despite the high financial injection into the sector.
- Improvement in the quality and cost- effectiveness of health care, and increased access to underserved populations remains a major challenge for the Government.
- Highly centralized human resource and health management delays processes for effective and efficient primary health care.

## INTRODUCTION

The Government is committed to promote, prevent, cure, rehabilitate and control diseases at all levels with special focus on the primary health level, through well-developed health systems by competent health workers. The sector in support with the stakeholders ensure responsiveness to the health sector clientele' needs and contribute to improved health status and quality of life for Basotho.

To provide health services, the government in collaboration with other stakeholders ensures that facilities deliver according to their classified specification in line with the decentralization process. Each facility has been given a unique identification label coding according to the district location, type of facility, specific serial number for each facility and the proprietor.

Table 1: Health Facility List

| Proprietor   | No of General Hospitals | No of Primary Hospitals | No of Health Centres | No of Filter Clinics | Total      |
|--------------|-------------------------|-------------------------|----------------------|----------------------|------------|
| Gol          | 12                      | 0                       | 85                   | 4                    | 101        |
| CHAL         | 8                       | 0                       | 73                   | 0                    | 81         |
| Red Cross    | 0                       | 0                       | 4                    | 0                    | 4          |
| Private      | 1                       | 4                       | 52                   | 0                    | 57         |
| <b>Total</b> | <b>21</b>               | <b>4</b>                | <b>214</b>           | <b>4</b>             | <b>243</b> |

Health services in Lesotho are delivered at three levels, namely primary, secondary, and tertiary levels. The primary level of health care includes health centres, health posts and all community level initiatives including all staff working at this level.

A village health workers (VHW) programme is in place in all districts for provision of community-based health services. In each district, there is a district hospital which is a referral facility for all health centres in the district, in addition to offering specialized services, district hospitals are still offering primary health care (PHC) services to the people living in towns that are in proximity to the hospital. These are often referred to as secondary levels. At tertiary level, there is only one National Referral Hospital which also refers patients to South Africa for quaternary care.

There are two specialized hospitals namely Mohlomi Mental Hospital and Botšabelo Leprosy Hospital which caters for leprosy and MDR-TB patients, while Senkatana offers other specialized health care like HIV and AIDS Management and reproductive cancer screening.

Health service delivery at all levels of care involves the implementation of the Lesotho Essential Health Service Package (ESP). The ESP as defined by WHO, is a set of the most cost-effective, affordable, and acceptable interventions for addressing conditions, diseases, and associated factors that are responsible for the greater part of the disease burden of a community.

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| <p><b>1. ESSENTIAL PUBLIC HEALTH INTERVENTIONS</b><br/>                     a. Health Education and Promotion;<br/>                     b. Child Survival - Immunization; Nutrition; Management of Common Childhood Illnesses;<br/>                     c. Environmental Health</p> <p><b>2. COMMUNICABLE DISEASE CONTROL</b><br/>                     a. STI;<br/>                     b. HIV/AIDS;<br/>                     c. TB</p> <p><b>3. SEXUAL AND REPRODUCTIVE HEALTH</b><br/>                     (ante-natal care; management of deliveries; post-natal care; family planning; adolescent health; cancer screening - cervix, breast and prostate)</p> <p><b>4. ESSENTIAL CLINICAL SERVICES</b><br/>                     a. Common illnesses (diabetes; hypertension; eye infections; skin disease)<br/>                     b. Oral health;<br/>                     c. Mental Health</p> <p>Although the list excludes other health conditions, it does not mean that those services are eliminated from the services provided by GOL, but rather this list will constitute the priority interventions for public spending at the described levels of care.</p> |
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Even though there is a significant number of health facilities, the average lifespan is 54.79 years, and this is due to the disease burden of non-communicable diseases.

In 2021, the incidence of HIV among adults (ages 15 years and older) in Lesotho was 8.1 per 1000 uninfected persons, while the prevalence of HIV among adults in Lesotho was 21.6 percent, which corresponds to approximately 328,000 adults living with HIV. HIV prevalence was markedly higher among women (8.9 percent) than among men (3.9 percent).

Lesotho adopted WHO statement on Continuing TB services during the COVID-19 pandemic that is meant to assist countries to actively engage in combating COVID-19 pandemic while maintaining continuity of TB essential services. Globally TB has been disrupted by COVID-19 pandemic and a percentage reduction in the absolute number of TB deaths has been reported to be 35 percent while percentage TB incidence rate is 20 percent and zero percent of the percentage of TB affected household facing catastrophic cost due to TB, (source: Global Tuberculosis Report, 2021).

The Government has prepared a draft National Sexual, Reproductive, Maternal, Newborn, Child, Adolescent Health(SRMNCAH&N) Strategic Plan covering the period 2021/2022 – 2025/2026.

The Strategic Plan is aimed at addressing the shortcomings of previous strategies, namely the Road Map for Accelerating reduction of Maternal and Newborn Morbidity and Mortality in Lesotho 2007-2015, and the MDG Acceleration Framework (MAF) 2013 to guide the development and implementation of the key maternal and child morbidity and mortality reduction strategies towards the attainment of the MDGs (4 and 5) related to maternal and child morbidity and mortality. Consequently, the SRMNCAH&N will provide a unique and integrated SRMNCAH & N framework to guide and coordinate the actions of all stakeholders involved in the implementation of SRMNCAH & N interventions in Lesotho for better outcomes.

#### Key Health Indicators

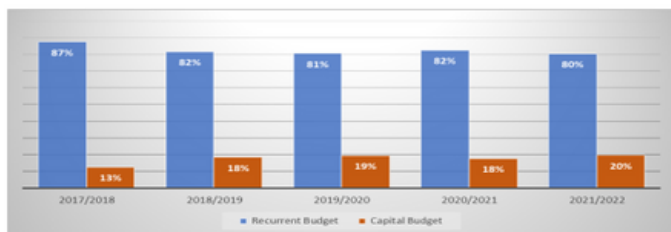
|   |       |
|---|-------|
| Life Expectancy (2020)                              |       |
| Total   | 55    |
| Female  | 58    |
| Male  | 52    |
| Infant Mortality (per 1000 live births) (2020)      | 69.88 |
| Maternal Mortality (per 100,000 live births) (2017) | 544   |
| Antenatal Care (2016-2018)                          | 76.6  |
| Under-five Mortality (per 1000 live births) (2020)  | 89.52 |
| Neonatal Mortality (per 1000 live births) (2020)    | 44.26 |
| Stunting Rate (%) (2018)                            | 32.1  |
| HIV Prevalence (%) (2021)                           | 21.6  |
| Of which: Women                                     | 27.9  |
| Men   | 15.7  |
| ARV Coverage (%) (2021)                             | 81    |
| Physicians per 1000 Population (2018)               | 0.5   |
| Hospital Beds per 10,000                            | 60.9  |
| Births attended by Skilled Health Personnel (2010)  | 70    |
| Immunization Coverage among 1-yr Old (%)            | 68    |
| TB Treatment Coverage (%) (2017)                    | 41.8  |

## HEALTH SECTOR SPENDING

The Government of Lesotho has allocated M2,977.1 million, which represents 13 percent of the national budget. The allocation is slightly below the Abuja Declaration target of 15 percent. There was a slight decrease of 3.6 percent on the budget allocation for 2021/22 despite the need to prioritize COVID-19 related mitigation measures to protect livelihoods of the people was a major concern.

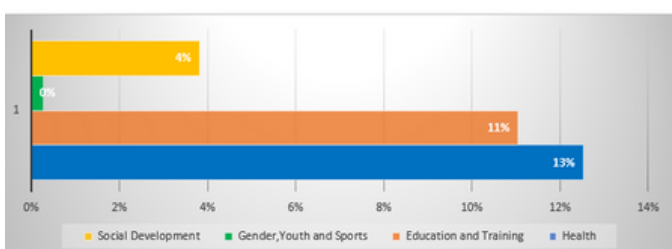
The 2021/22 budget for health is classified into two main components namely recurrent and capital budget which occupies 80 percent and 20 percent of health allocated budget respectively.

Figure 1: Budget Classification for 2021/22



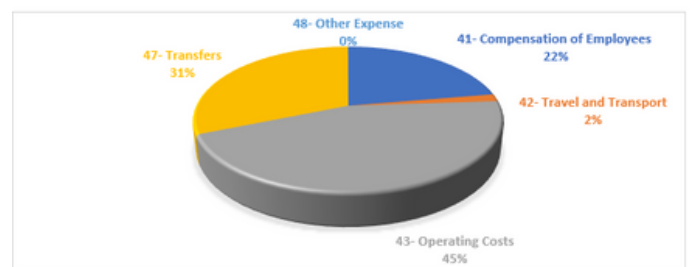
The 2021/22 budget allocation for health as a percentage of the national budget is 13 percent, slightly above that of education, which is M2,484.3 million, translating to 11 percent of the budget. This remains significantly the same compared to 2020/21 budget allocation which was M3,108.7 million translating to 13 percent of the budget.

Figure 2: Health Sector Budget Against Other Social Spending Sectors (as percent of total budget).



The major portion of health budget (78 percent) goes towards recurrent spending, which is mainly funded by the Government of Lesotho. The larger portion of the recurrent spending is on operating costs of which purchases of health services and subsidies occupies 18 percent and 28 percent, respectively.

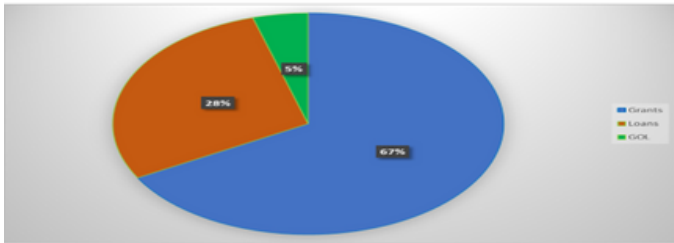
Figure 3: Composition for Health Sector Recurrent Budget For 2021/22



The government's contribution to the health sector capital budget declined by 12 percent as the sector prioritized COVID-19 mitigation activities during this period.

The major development programmes are mostly budgeted through donor grants amounting to M389.2 million, contributing 67 percent of the capital budget.

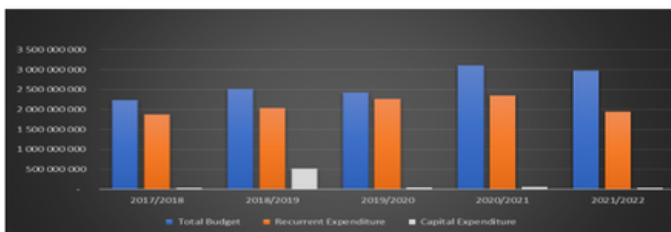
Figure 4: Capital Budget Composition for Health Sector For 2021/22



## BUDGET EXECUTION AND CREDIBILITY

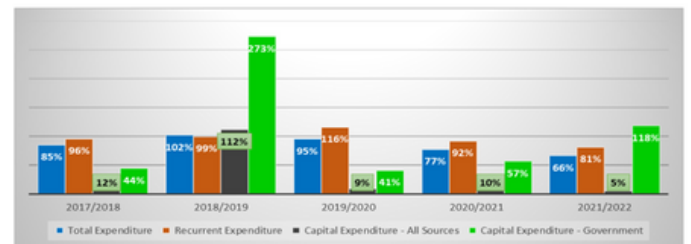
The government budget execution in relation to expenditure has declined from 82 percent in 2020/21 to 80 percent in 2021/22 fiscal year. The decline is a result of reduced warrant release due to liquidity problems resulting from less-than-expected revenue collections.

Figure 5: Recurrent and Capital Expenditure Against Total Budget



The capital expenditure has performed poorly over the years, especially about government execution. The 2021/22 capital expenditure for health increased considerably due to additional funding allocated to the National Drug Services Organization (NDSO).

Figure 6: Budget Execution Rate (%)



## FINANCING FOR HEALTH

The recurrent budget for health is mainly funded by government and several development partners bring major contribution to support health initiatives. The capital budget is funded mainly through grants at 67 percent while government contribution has declined by 12 percent from 2020/21.



## COMPOSITION OF PARTNERS FINANCING FOR HEALTH SECTOR

Table 2: Partners Financing for Capital Budget for Health Sector For 2021/22

| Partner      | Partner Initiative                          | Form of support (Loan, Grant...) | Amount             |
|--------------|---|----------------------------------|--------------------|
| UNCF         | Support To Health Sector Reforms            | Grant                            | 18,067,061         |
| WHO          | Support To Health Sector Reforms            | Grant                            | 14,336,865         |
| GAVI         | Support To Immunization                     | Grant                            | 6,476,668          |
| UNFPA        | Support To Reproductive Health              | Grant                            | 7,526,130          |
| VODA         | Support For Emergency Transportation System | Grant                            | 15,000,000         |
| GF           | Support To TB Programme                     | Grant                            | 192,838,003        |
| IDA          | Support To TB Programme                     | Loan                             | 166,279,800        |
| USAID        | Support To Laboratory Services              | Grant                            | 135,000,001        |
| <b>Total</b> |   |                                  | <b>555,524,528</b> |

## DECENTRALIZATION AND HEALTH SPENDING

Between 2005 and 2009, the Government established District Health Management Teams (DHMTs) to support and supervise health facilities that deliver largely free health services in all the ten districts of the country. However, DHMTs have no authority over human resources, limited fiscal authority, and therefore limited autonomy and decision-making to ensure that quality primary health care is delivered within their districts.

DHMTs produce budget plans based upon their estimated needs. However, the Ministry of Health approved district budgets or district financial allocations often fall below the DHMT required budgets, rendering the planning cycle futile. Furthermore, DHMTs often lack awareness of their approved and allocated budgets, which constrains their autonomy and ability to improve the quality and availability of services. In 2021/22, DHMTs were allocated M248 million.


## KEY TAKEAWAYS

- Spending in the health sector dominated by recurrent expenditure of which the bulk goes towards operating costs.
- Recurrent expenditure is mostly covered by the Government while capital spending is mostly supported by donor grants.

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- Planning and implementation of health sector activities are driven by available donor funds and respond to donor priorities and aid mandates.
  - Despite the high level of government health spending, outcomes remain low.
  - Health spending still falls below the 15 percent target under the Abuja Declaration.
  - District Health Management Teams must be empowered to manage finances and take decisions to enhance Primary Health Care.

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