



**CABINET RETREAT ON 2020/21 BUDGET STRATEGY
OPENING REMARKS BY THE RIGHT HONOURABLE THE PRIME
MINISTER, DR MOTSOAHAE THOMAS THABANE, MP
ON 10 OCTOBER, 2019, LEHAKOE RECREATION AND
CULTURAL CENTRE**

His Majesty the King

Honourable Deputy Prime Minister,

Honourable Ministers and Deputy Ministers

Government Secretary and Principal Secretaries

Distinguished Facilitators

Senior Civil Servants

Ladies and Gentlemen

The media

It is my pleasure to welcome you to this important and indeed critical occasion to deliberate on policy direction as stipulated in the National Strategic Development Plan (NSDP) II 2018/19-2022/23 and the Budget Strategy for 2020/21 to 2022/23. The NSDP is the medium-term plan that is implementing the national Vision 2020, mainstreaming the regional and international development agendas that Lesotho has ratified. While the Budget Strategy Paper (BSP) is an instrument that the Government of Lesotho develops to articulate policy-direction based on the four NSDP key priorities. The focus for the medium-term will only be on one priority area which is “**enhancing inclusive and sustainable economic growth,**

through private sector-led job creation” for which resource allocation has to focus on.

Ministers are here attending the retreat to discuss and endorse the policies articulated in the BSP. I therefore, expect you to fully use this time profitably and to take full advantage of the opportunity presented to you to introspect as well as to chart the way forward in planning and budgeting in the Medium-Term.

Lesotho is categorised among the poorest countries within Southern African Development Community (SADC) region. Poverty remains the primary challenge facing our country. This is associated with failure to achieve economic growth to reduce unemployment especially youth and consequently resulting in high levels of poverty. As we sit here and deliberate on our policy direction, let us demonstrate commitment and take charge of our destiny.

I urge you to work collectively to assume a comprehensive approach on the policies that will guide development programmes and the budget for the medium-term. The successful implementation of the proposed and agreed policies will depend on your adherence and commitment to these policies. I cannot overemphasise the importance of developing robust and appropriate monitoring and evaluation tools to ensure the success of the policies. I must also highlight and stress the importance of **compliance** to

our different pieces of legislation, including procurement processes and procedures.

Procurement is an area shrouded with controversies, challenges and heavy corruption characterised by non-compliance to the set procurement laws. Non-compliance creates problems in the implementation of approved activities versus the allocated budget; hence this is an area that must be treated with utmost care by the Government because failure derails funding against intended purposes. I therefore urge all of you that it is the responsibility of all of us through our Chief Accounting Officers to strongly align ourselves with the procurement laws in implementing our ministerial budgets.

Honourable Ministers

I strongly believe that you will echo my sentiments that a budget is a policy tool, which if properly developed and implemented could rescue Lesotho from challenges such as lawlessness, conflict, political instability, economic stagnation, environmental degradation and democratic decay. I also strongly believe that a well thought-out, planned, and prepared budget will facilitate the much-needed constitutional, political, security and administrative reforms, which will take this country to higher levels of development. Furthermore, successful reforms will inevitably lead to a sustainable transformation of the economy through a deliberate plan to develop and grow the private sector and to focus on

confidence building measures for increased employment opportunities and poverty reduction. Achievement of these objectives will restore trust and confidence of the nation, international partners and investors in the Government because it will result in an effective government that delivers on promises.

It is, therefore, critical for us to ensure that as we plan together, our ministerial plans and programmes are aligned to the policies articulated in the Budget Strategy Paper, key priorities in the NSDP II as well as regional and international development commitments.

I expect that as we leave this Retreat, we will have the basic knowledge and understanding of the processes and procedures, which guide budget preparation. I also hope that we will provide the necessary policy guidance and leadership to achieve identified national priorities through the implementation of the right mix of policies, which will be presented for funding for the coming year through the medium-term.

Allow me to conclude my remarks by expressing profound gratitude to both the Ministries of Finance and of Development Planning to have arranged this policy direction forum to comprehensively discuss our strategic priorities for NSDP II and the Budget Strategy for the 2020/21 budget. I also wish to sincerely thank our development partners especially World Bank and UNICEF for their unwavering support and Government officials who tirelessly prepared for the retreat. It would be amiss not to

heartily thank each one of you for taking time off your busy schedules to attend this important retreat because it would not have been possible without your presence and support. I wish you fruitful deliberations that will make our country proud and pave way for better service delivery to Basotho. Let us take this opportunity to shape the future of this Nation and the success of this Government.

With these remarks, I declare this retreat officially open.

KHOTSO PULA NALA