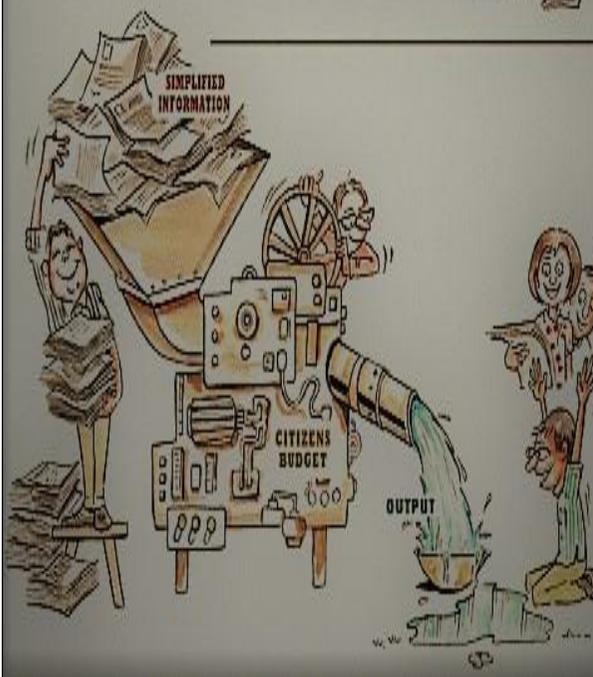




## CITIZEN'S GUIDE TO THE 2019/20 BUDGET

“JOBS”



28/02/2019

## FOREWARD BY THE HONOURABLE MINISTER OF FINANCE

As the Government continues along the path of job creation, the Government of Lesotho seeks to ensure that Basotho citizens are informed and aware of the objectives of their Government and the tools being utilized to achieve these objectives. The National Budget expresses the Government of Lesotho's priorities and programmes as well as its economic and social policies. The resources used to finance the expenditures in the National Budget come from you, the people of Lesotho. For this reason, the Ministry of Finance has prepared, for the first time, a Citizen's Guide to the Government's Budget for Financial Year 2019/2020.

We believe that knowledge empowers and the Government of Lesotho is interested in empowering all Basotho. As such, we want the fundamentals of the National Budget to be understood by all. Furthermore we seek to ensure that all segments of the Basotho population understand the expenditure programme that will be undertaken during the financial year beginning on April 1 to further advance the country's job creation. It is hoped that with this Citizen's Guide, each citizen of Lesotho will be able to identify

with the efforts to improve the lives of all Basotho through its Programmes.

The structure of the crisis Lesotho faces is diverse, but the following statements characterises succinctly what the Government of Lesotho has to face:

- Poverty, hunger and joblessness are high and even higher amongst the youth;
- Ill-health is pervasive and there is persistent mismatch between skills needed and that are produced;
- Hundreds of our young people looking for jobs dropped out of school at end primary school when they were 12 years old or at Form E when they were only 17 years of age;
- The fiscal resources required to redress the situation are scarce and limit any meaningful participation by government.

**Dr Moeketsi Majoro**

**Minister of Finance**

## INTRODUCTION

The preparation of this year's Budget benefitted from the interactions Government officials have had with the public and the many challenges they face. Although diverse and wide-ranging, the most common and systemic challenge is the lack of jobs. Thus, creating jobs is the underlying concern for this budget. Many of the proposals made will also reflect this important concern.

In response to consistent shortfall in cash and foreign reserves as well as volatile SACU revenues, the depreciation of South African Rand against major world currencies and its negative impact on the external debt stock and strong recurrent expenditure growth which have put pressure on budget deficits, the government will adopt the following principles which will underpin and guide the FY2019/20 budget:

- a) Achieve consistency of the medium term fiscal framework and medium term expenditure framework to national priorities and efficiency, effectiveness and value for money in public expenditure;
- b) Adopt a budget that is affordable, sustainable, credible and responsive to the growing needs over the medium term;

c) Achieve efficiency in domestic revenue mobilisation to finance government programmes while limiting the dependence on external financing;

d) Improve monitoring, transparency and accountability to ensure expenditure efficiency; and lastly,

e) Prioritise the elimination and curtailment of accumulation of arrears.

## WHY A CITIZEN'S GUIDE TO THE BUDGET?

The Ministry of Finance supports the view that the annual budget must not only be made public but must also be made available to the citizens in an easily understood format. National Budgets by their very nature tend to be long and detailed with several supporting documents all of which are generally expressed in technical terms. The publication of a Citizen's Guide an initiative to bring aspects of the budget to a wider cross-section of persons in an easy reading format with less emphasis on the use of technical terminology.

The Guide focuses on the Expenditure Budget of the Central Government which is funded from the Consolidated Fund and provides budgetary information on the major projects and programmes which will

be implemented during the Financial Year beginning April 1, 2019 and ending on March 31, 2020. This financial year is referred to as "FY 2019/2020" or "Fiscal Year 2019/2020".

## WHAT IS THE NATIONAL BUDGET?

A national budget is an annual financial statement presenting the government's proposed revenues and spending for a financial year that is passed by the legislature and is presented by the Finance Minister to the nation. A budget is drawn up for each financial year and it contains information on the estimated value of revenues and value of costs. If government does not have enough money to do everything it would like to do, then it uses this planning process to prioritise its spending and focus the money on the things that are most important to the tax payers.

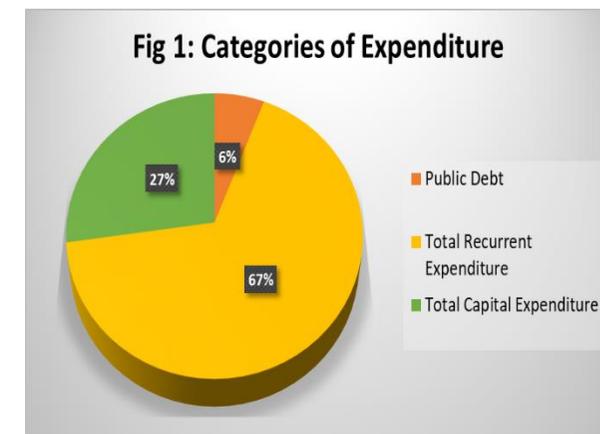
*Budgeting is simply balancing expenses with income. If they don't balance and you spend more than you make, you will have a problem. Many people don't realize that they spend more than they earn and slowly sink deeper into debt every year.*

## THE BUDGET AT A GLANCE: THE BIG PICTURE EXPENDITURE

The Government has budgeted a total of M19,012.1 million to meet its obligations and provide goods and services to the citizens for Financial

Year 2019/2020. This sum is allocated across the following major categories of expenditure:

| Category                             | Amount (Millions of Maloti) | Percentage |
|--------------------------------------|-----------------------------|------------|
| Public Debt                          | 1,130.70                    | 6%         |
| Total Recurrent Expenditure          | 12,703.70                   | 67%        |
| Ministries, Departments and Agencies | 10,273.00                   |            |
| Statutory Expenditure                | 2,430.70                    |            |
| Total Capital Expenditure            | 5,177.70                    | 27%        |
| GOL                                  | 2,840.40                    |            |
| Donor Grants                         | 1,015.10                    |            |
| Donor Loans                          | 1,322.20                    |            |
| TOTAL                                | 19,012.10                   |            |



## REVENUE PROJECTIONS

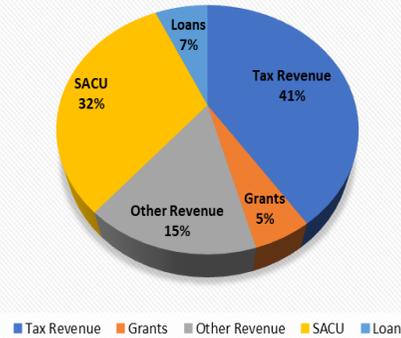
The Government expects to generate 18,128.4 million from Revenue and Grants in FY 2019/20. Tax Revenue, is budgeted at M7,878.3 million and is expected to account for 43.5% of total Revenue while SACU revenue is M6,226.0 million (34.3% of total revenue).

**Table 2: Major Categories of Revenue**  
(in millions of Maloti)

|                      |                  |
|----------------------|------------------|
| Tax Revenue          | 7,878.30         |
| Grants               | 1,015.10         |
| Other Revenue        | 3,009.00         |
| SACU                 | 6,226.00         |
| <b>Total Revenue</b> | <b>18,128.40</b> |

## WHERE DOES THE MONEY COME FROM TO FUND THE BUDGET?

**Fig 2: Financing**



Any budget has to be financed and the 2019/2020 budget will be financed with domestically generated revenues, borrowing domestically and externally and grants from development partners.

## DOMESTIC RESOURCES

The overall target is estimated at M18,128.4 million, of which, SACU is M6,226.0 million, tax revenue is M7,878.3 million and other revenue is M3,009.0 million. This is an overall revenue increase of 13 percent over the 2018/2019 target of M16,099.6 million.

## EXTERNAL GRANTS

These are monies given by development partners with no requirement to be repaid. For the 2019/2020 Budget, they are projected at M1,015.1 million which

demonstrates an increase of 11% compared to 2018/2019 external grants budget.

## EXTERNAL LOANS

These are monies coming from foreign Governments and International Organisations with Government obligation to pay back. For the 2018/2019 Budget, external loans are projected at M1,322.2 million, which demonstrates an increase of 9% compared to 2018/2019 external loans budget.

## DO ORDINARY MOSOTHO LEND MONEY TO GOVERNMENT?

Anyone from within or outside the country can lend money to the Government by investing in Government Bonds and or Treasury Bills through competitive and non-competitive auctions in the Central Bank of Lesotho.

## WHY SHOULD GOVERNMENT BORROW?

Essentially, the government borrows so that it can enable higher spending without having to increase taxes. The annual amount the government borrows is known as the budget deficit. The total amount the government has borrowed is known as the national debt or public sector debt. Borrowing means the government can meet

a temporary shortfall by borrowing, rather than having to immediately cut back on spending. Like an overdraft facility, government borrowing gives the government more flexibility and means they can maintain wages and spending commitments without having to keep cutting spending.

## BREAKDOWN OF EXPENSES

The resources are allocated to different sectors of the economy-agriculture, manufacturing, tourism and creative arts, and technology. Line Ministries, Local Authorities and Districts have the responsibility to spend this money in line with the law on activities which will help the country achieve its national objectives effectively.

## WHERE DOES THE MONEY GO?

### AGRICULTURE

Close to 30,000 farmers are involved in wool and mohair production in Lesotho, with revenues ranging between M200 and M300 million annually. Commissions and other charges are estimated between 20 and 50 percent of revenues, mainly going to middle men and without government deriving any tax. Productivity per animal averages 2.7 kilograms compared with 5 in South Africa.

The industry, has not changed much in the last 50 years, despite fervent calls for beneficiation in other sectors.



To take the sector forward, Government has localised the brokerage service for wool and mohair trading and plans to tightly regulate the industry and introduce other reforms to create more value in the sector. With the assistance of the Brent Hurst Foundation, Government will explore during 2019 opportunities for value addition including in the production in Lesotho of baby clothing, sportswear, and footwear. To raise productivity per animal, the Ministry of Agriculture and Food Security will distribute 300 ewes as breeding stock to the wool and mohair farmers in the southern part of the country.

### TOURISM AND CREATIVE ARTS

To continue promoting investment in the tourism sector, Cabinet has approved the

establishment of the tourism development fund, which shall be funded by the tourism development levy. The Ministry and the Tourism Development Corporation are in discussion with potential investors, several of whom, have joined the investment laboratories being launched tomorrow.

The construction of both Mpiti-Sehlabathebe and Marakabei Monontša roads present new opportunities for tourism in the northeast and southeast regions of Lesotho. Talks are underway between Lesotho and South Africa officials on several cross-border investments including a cable car at Mont Aux-Sources and cross-border tourism at Sehlabathebe. As many of the tourism sites including Letša la Letsie are degrading fast, the Ministry will work closely with the Ministry of Water to apply best practices learned from Tšehlanyane and Bokong Nature Reserve biosphere and the Integrated Catchment Management programme. M171 million will be allocated to the Ministry of Tourism, Environment and Culture in FY2019/20 for these initiatives.



## INFORMATION AND COMMUNICATION

In order to accelerate the implementation of the e-government, Government will establish 46 community e-services centres, housed in the Postal Services branches and agencies countrywide. With this model, the ministry of Communications, Science & Technology, will provide online access to government services using post offices as a delivery vehicle. Procurement processes for the equipment of 5 e-Services Centres (Sehlabathebe, Ketane, Mapholaneng, Sehonghong and Mt. Moorosi) are at advanced stage, with the rest of the 41 e-service centres to be established under the e-government Infrastructure Phase II project. Two such service centres (Mantsonyane & Kubake Community councils) have since been completed. It is worth noting that the idea is that the e-service centres will also enable other government agencies, namely

LRA and Postbank, to bring their services closer to the people using this infrastructure.



## MINING

The mining industry in Lesotho, dominated by diamonds, is important, as it accounts for about 5.7 percent of GDP and half a billion maloti in government revenues from an estimated production of 1.3 million carats in 2018. Three mines, Letšeng, Kao and Likhobong have entered commercial production, while Mothae, Lemphane, Kolo and Northern Fissures are still in the preparation phases. The full operation of all these mines will expand the scope for additional revenues as well as increase business opportunities for local companies. In addition, it is expected that the geochemical mapping process, which will identify in full Lesotho's mineral potential, will be completed in 2019.

The Mining Khotla held in November 2018 has opened dialogue between the mining operators and Lesotho businesses on the opportunities available in the sector. This is in line with the local purchase policy announced last March. The Ministry of Mining is implementing the Minerals and Mining Policy and is presently reviewing existing agreements to ensure compliance with the vision of the policy. The underlying principle for this policy is that all minerals below ground belong to Basotho and Basotho must benefit more than anybody else whenever the minerals are extracted. To address concerns about the industry, government will draw up and implement a comprehensive policy implementation plan during 2019. M42.1 million has been allocated to the Ministry of Mines.



## MANUFACTURING

Government wants to be clear that after 40 years, the industry should move up the value

chain into high value garments that could penetrate boutique markets in Europe. CGM seems to have transformed itself and left the AGOA market to focus on the large regional market for garments which has enabled it to establish links with the domestic economy and to mentor Basotho to enter the garment chain. There is a worthy lesson to learn from this transformation.

## WATER

Water harvesting and construction of several bigger water reservoirs can significantly develop effective land and water resources management. To this effect, Government has joined efforts with the Government of Germany and the European Union to implement activities under Integrated Catchment Management Project with a view to protect water sources, rejuvenate agricultural land and preserve the mountain ecosystem.



The Ministry of Water has completed construction of a water supply network,

which will serve approximately 18,000 people residing in four zones in the Maseru district. Two more zones namely, zone 20 and 3 (St. Michaels and Senekane respectively) are under construction as well as water supply from TY to Lekokoaneng reservoir, which is expected to serve 4,000 people. Under Rural Water Supply and Sanitation Project, 25 new water supply systems serving about 10,227 people and 2,437 VIP latrines will be constructed during FY2019/20.

## ENERGY

Connection of our households to electricity has been increasing very rapidly, although from a very low base of only 5 percent in 2005. Today, 207,000 (39 percent) of the 537,000 Lesotho households have been connected to electricity. It is plausible that in the near future, every household will be connected to electricity. However, as connections increase the demand will far outstrip bulk supply. The Ministry of Energy is exploring mobilising more hydropower (in collaboration with the LHDA), and wind and solar power. Two solar investments are about start at Ha Ramarothole in Mafeteng to generate 90MW by 2025. One of the investments is led by a private company, One Power, which is planning to generate 20 MW. It is interesting that this private idea has been incubated by our own Appropriate Technology Department.



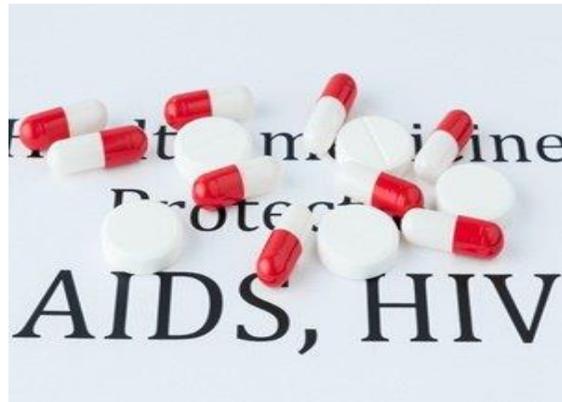
## HEALTH

With the aim of improving the Health Sector, Government has secured 36 Cuban doctors to be engaged in hospitals and clinics around the country. The Ministry of Health will further employ thirty-five 35 Basotho doctors and 252 nurses. To effectively tackle the cancer burden, the Ministry has developed a comprehensive National Cancer Control Plan. In the meantime, the Ministry has expanded cancer and renal care services by sending patients for treatment at Apollo Hospital in India. To date, 3 kidney transplants have been performed on Basotho patients in India. Health professionals (doctors, nurses and pharmacists) have been trained in India to facilitate the establishment of National Chemotherapy Centre in Lesotho.

With regard to HIV and AIDS, the Ministry will, as a means to reduce incidences and increase the coverage of Anti-Retroviral

Treatment (ART), continue to provide increasing multi-month ARV dispensing to allow Basotho working locally and in the Republic of South Africa enough medication to cover 3-6 months. The Ministry will further increase targeted HIV testing and services to key populations such as Factory Workers, the Lesbian Gay Transgender Bisexual and Intersexual (LGTBI) community, migrant workers, adolescents and young women.

At 11 percent of the national budget, health services consume the next largest portion after education. The budget proposes M2.4 billion be allocated to the Ministry of Health.



In order to care for the most vulnerable of our people, Government has established a social grants program that encompasses child grants and old age grants. The Ministry of Social Development is in the process of

modernising social grants systems and expanding its reach to ultimately cover all councils nationally. Plans are underway to reduce the age of qualification from 70 to 60 years, and this will be done gradually beginning in FY2020/21. In the meantime, the old age grant is increased by M50 per month. Also the African Committee of Experts on the Rights and Welfare of the Children (ACERWC) Office will soon relocate from Ethiopia to Lesotho permanently. This is a demonstration of the confidence Lesotho enjoys in the area of social development.

M419.2 million has been set aside for the Ministry of Social Development. In addition, the Ministry of Finance will cater for old age grants. During FY2019/20 plans will be finalised to relocate the Old Age Pension to the Ministry of Social Development.



Lesotho

Katherine Vincent/2007

## EDUCATION

The Ministry of Education and Training will develop transition policy to facilitate progression of learners from lower basic education schools to secondary schools in an endeavour to ensure inclusiveness in learning. It will further upgrade and build appropriate infrastructure in four high schools (St. Catharine's, Abia, Motsekuoa and Mount Royal) for learners with special educational needs. Furthermore, the Disability Equity Bill has been tabled before Parliament to pave way for disability grants and a Disability Trust Fund.

The escalating number of sponsored students and sponsorship costs, tight fiscal constraints and poor loan recoveries call for an urgent implementation of Loan Bursary Fund (LBF) Reforms. In the coming financial year, the National Manpower Development Secretariat (NMDS) will review and amend the legal framework governing the LBF, including the National Manpower Development Council (NMDC) Act of 1978 and the Loan Bursary Fund (LBF) Regulations of 1978. It will further review and improve the Resource Mobilisation and Financing Model of the fund by changing endorsement and repayment of loan bursaries from partial to actual incurred costs of sponsorships. In an endeavour of ensuring equitable access to bursaries in light of the constrained funds,

the NMDS will develop the 'Means Testing Mechanism' which will seek to ensure that bursaries are granted in favour of students from financially disadvantaged families.

Government traditionally invests a very large share of its budget in education. The Budget proposes that M3.1 billion (17 percent of the total budget) be spent on education with M2.4 billion allocated to the Ministry of Education and M577 million for loan bursaries.



## INFRASTRUCTURE

During FY2019/20 government will adopt decisions on Maseru relief infrastructure that will include north and south by-pass roads, toll roads where appropriate, residential and office development using government-owned sites, as well as a smart city. These decisions will also outline how the private sector will take part in these initiatives. This will be a multi-year build

programme that will contribute significantly to national output for many years to come. Given the current resource constraints and the magnitude of the required financing, Government will tap on PPPs as the main engine for implementing these large projects. Legislation for PPPs will be presented in Parliament during the year. However, work is underway to set up the PPP Unit and the Ministry of Finance presently has adequate legislative authority to initiate PPP projects.



The construction of the 66 kilometre Marakabei to Monontša road in Butha-Buthe has commenced and joins the Mpiti-Sehlabathebe road whose construction began in late 2018. The bill for both roads will be M2 billion when complete. Both roads will enhance tourism opportunities between Lesotho and South Africa. Government will soon open talks with the Republic of South Africa on the prospect of opening a border at Monontša and

upgrading the road on the South African side.

The Ministry of Public Works will also undertake feasibility and design studies for the expansion of the Kofi Annan road and the upgrading to bitumen standard of the Thaba Phatšoa road. In addition to construction of new roads and maintenance of existing ones, Government will construct thirteen foot bridges throughout the country. This will include two major suspended foot bridges between Ha Potomane and Shalane over Senqu River and between Hlotse and Likhakeng over Hlotse River. M955.5 million has been set aside to enable the Ministry of Public Works and Transport to perform these tasks.

## NATIONAL REFORMS

### POLITICAL AND CONSTITUTIONAL REFORMS

The National Reform Agenda is proceeding briskly. The inclusive National Leaders Forum (NLF), the National Dialogue Planning Committee, the Multi-Stakeholder National Dialogue are holding their meetings as expected. District consultations will be held in April 2019 where Basotho in their diverse formations will have a direct opportunity to be part of the dialogue process leading to reforms.

## PUBLIC SECTOR REFORMS

Mr Speaker, on 1st April 2019, Government will launch an upgrade to the Integrated Financial Management Information System (IFMIS) which will address the existing challenge of inaccurate financial statements and delays in payment of suppliers. The new system will do away with paperwork and will provide users stronger control tools. As it will have tracking functionality, chief accounting officers will be able track payments to suppliers and ensure payment on time.

## DECENTRALISATION

Local government service began with local government elections in 2005. Fourteen years later, decentralisation remains fragile, with central government still performing most of the functions that are better performed by councils. Delivery of services to far reaching places by the central government is inefficient at two levels: first, the prioritisation of needs is not done by the people who need the service, and secondly, the central government is far from every community in land. Over and above this, paying councillors without allocating them responsibilities is not only inefficient; it duplicates costs government incurs in the delivery of services.



The 2014 Decentralisation Policy should thus be implemented in earnest, with requisite legislation brought to the House soonest. During FY2019/20, Government will formulate and conclude a fiscal decentralisation roadmap, which shall set standards for the use of national financial resources.

## PUBLIC WORKS PROGRAMME

Government is pained by the weakness in the economy and the rampant joblessness. There are 10,000 graduates that are looking for placement, but can't find any opening and many have been waiting for more than 10 years. Below this group, there is even a lot more needing a job placement. The proposals in this budget will create 20,000 new jobs by the end 2021. But to ease the current pressure and desperation, Government proposes a public works and internship program and set aside M300 million to cover the allowances under this program. The details of the program will be finalised by end of April, but it will be a 2-

year transitional program at the end of which some of the beneficiaries would either have founded their own businesses or found new jobs. In FY2019/20, 8,500 youngsters, of which 3,500 will be graduates, will be assisted into internships and public works programs.



## WHAT ARE THE MEASURES TO INCREASE REVENUE?

Budget is supported by new revenues and collection efficiency measures. During FY2019/20 government intends to introduce the following legislation:



- Enactment of Tax Administration Bill;
- Enactment of the VAT Bill which will provide for implementation of the reverse charge mechanism on VAT on imported services.
- Enactment of Income Tax Bill
- Enactment of the Customs Bill;

Furthermore, Government will implement the Tax Modernization Programme which will include, amongst others, the implementation of VAT non-compliance detection solution. The Customs Modernization Programme entails upgrading border IT infrastructure and introducing a Coordinated Border Management through the Trade Related Facility and the National Single Window, as well as rehabilitation of Sani Top and Van Royeen commercial border posts.

Government will also repeal the tax regulation that granted 100% accelerated depreciation for mining so as to curb revenue leakages and review the Precious Stones Order 1970 and Mining and Minerals Act 2005 in order to align them.

Mr Speaker, in FY2018/19 Government through the LRA implemented the Voluntary Disclosure Program (VDP) and the Small Business Taxation (SBT). The two

initiatives generated M15 million and M17 million, respectfully.

In an effort to mobilize the resources to address the identified fiscal challenges, Government will scale up the VDP program. The current zero rating on exports of natural resources will be replaced by VAT exemption in an effort to reduce revenue leakages emanating from high VAT refunds claimed by the mining industry. Government will also zero rate sanitary towels as a way to increase access and improve school attendance.

## WHAT ARE THE MEASURES TO REDUCE EXPENDITURE?

During FY2019/20 government will implement in full the following measures:

- Reduce ministerial international travel by undertaking the following. (i) the Right Honourable the Prime Minister to set up a special committee to authorise all ministerial international travel with the purpose to reduce such travel including; (ii) government to use its foreign representatives to attend most meetings; (iii) ministers to attend only representational meetings and to avoid conferences,

workshops and consultative meetings: (iv) ministers to cut their delegations to the bone; (v) limiting the number of nights any minister can spend in outside meetings to 5 only. Exceptions to be granted under additional justification by a specialised committee and rarely; (vi) ministers to actively control international travel in their ministries; and finally, ministers to produce international travel reports total time and amounts spent on travel.

- Eliminate all supplemental subsistence allowances including quarter rates
- Except for His Majesty, Members of Parliament and Statutory Officers, all public servants travel economy class;



- The Government of Lesotho shall acquire one travel agent to provide, for a fee, all its flight booking services. Such an agent shall be IATA accredited. An expression of Interest

has been issued and a tender will soon be finalised.

- Reduce government phone expenses by lowering existing allowances, including cutting all spending limits on phone usage and negotiate better value for money with the telecom suppliers. Enable an internal (free) telephone network for all government offices including abroad;
- A cap of M5,000 per month to be applied to all ministers;
- Use communication technology more effectively—the Ministry of Communications, Science and Technology to submit a proposal before end March that includes teleconferencing in districts and overseas and to train all senior officials on modern communication technologies;
- Freeze all government hiring;
- Reduce government fleet costs. All government vehicles to be parked outside office hours; introduce a permit system managed by the Government Secretary. Deploy police to impound vehicles that do not have permits. Release impounded vehicles only on the strength of demonstrable corrective measures taken by the PS. PSs that do not take action, to face

disciplinary action. Only Principal Secretaries should be assigned an official vehicle and all other officials below this level should not be entitled to such vehicles.

- Eliminate all international training except that which is fully funded—the PS and Minister to enforce this requirement. When international training is fully funded, Government will not pay any additional amount.
- Reduce the incentive to travel by adopting the lower UN rates and amend the Annex B of the Ministry of Public Service Circular Notice Number 8 of 2009 to reduce Per Diem rates.
- Reduce the cost of foreign missions by reducing their number of missions and reviewing the formula for calculating salaries.
- Reform the method of appointing diplomats, particularly those responsible for financial matters.
- Reduce the cost of accessing districts.
- Government should deliver more and more services through local government structures. This requires the active implementation of the 2014 Decentralisation Policy.
- Coordinate all trips to the districts through a central coordination system—the Post Office and

Immigration Offices send vehicles to the district each day;

- Instruct LRA to collect non-tax revenues;
- Reduce ministerial gross salary by 5 percent;
- Eliminate the interest benefit on MPs loans and the possibility of write-off of the loans following a mid-term election;
- Eliminate the procurement of refreshments and official entertainment; and
- Set price limits in IFMIS to curtail the overcharging of government.

## WHY SHOULD CITIZENS PARTICIPATE IN BUDGET FORMULATION, MONITORING AND EVALUATION?

Citizens and civil society have the right to monitor the implementation of the budget of Government. Citizens are encouraged to monitor performance of works and services done by service providers. Citizens' participation in the monitoring and evaluation of budget execution provide Government with an opportunity to be accountable to the citizens on the use of public funds.

This increases citizens' confidence in the Government using their money and thus promote citizens' understanding and ownership of Government programs which increases the likelihood of their success. To this end, Citizens should request managers of public funds to report on the level of implementation of planned and budgeted activities. Districts should hold open days to provide citizens with information about Government activities. These open sessions are important in monitoring implementation and evaluation of performance contracts.

## WHAT CAN YOU DO WITH THIS INFORMATION?

This booklet is Lesotho's 2019/2020 Citizens' Budget. It is a simplified version of the proposed 2019/2020 National Budget that was presented by the Honourable Minister of Finance on Tuesday 12th March, 2019.

The Citizens' Budget explains how the Government proposes to raise money and where it intends to spend it, in a simplified manner that is easy for citizens to understand. You are, therefore, encouraged to read the Citizens' Budget and if you have any comments, please contact your area Member of Parliament (MP) to raise the matter during the Parliamentary debates on

the Budget, before it is approved by Parliament.

You are also encouraged to follow the debates by Members of Parliament (MP) on the proposed 2019/2020 National Budget on Lesotho Television. The budget becomes a law after it is passed by Parliament. After the approval, the budget can be found in the form of Government Gazette at the Ministry of Law and Constitutional Affairs - Government Printing. A soft copy of the complete Appropriation Act can be accessed at the Government website and of the Ministry of Finance:

[www.gov.ls/www.finance.gov.ls](http://www.gov.ls/www.finance.gov.ls)

In addition, every fiscal year, the Government produces a Citizen's Guide to the budget that is distributed in all districts and Civil Society Organizations. A soft copy of the Citizen's Guide to the budget is also available on the website of the Ministry of Finance.

It is the right of every Mosotho to have information about the National Budget. Talk to your neighbours, Government Officers or your Leaders about this information and share it with other people in your community!



**This guide is published under the authority of the Minister of Finance**

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<http://www.finance.gov.ls>