



# PARLIAMENT OF THE KINGDOM OF LESOTHO

## MID-TERM BUDGET SPEECH TO THE PARLIAMENT OF THE KINGDOM OF LESOTHO FOR THE 2024/2025 FISCAL YEAR

*"Building Resilience, Fostering Growth,"*

By

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MASERU, LESOTHO

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His Majesty King Letsie III and Head of State

The Right Honourable the Prime Minister and Head of  
Government

The Honourable President of The Senate

The President of the Court of Appeal

The Chief Justice and Judges of The High Court

The Honourable Deputy Prime Minister and Leader of The  
House

My Colleagues, Honourable Ministers of His Majesty's  
Government

Honourable Members of Both Houses of Parliament

Their Excellencies, Heads of Diplomatic Missions and  
International Organisations here Present

Sechaba sohle sa Basotho ka hare le ka ntle ho naha.

Distinguished Members of The Media

Bo-'Me le Bo-Ntate

## **Introduction**

**Mr. Speaker,** Today, we gather to celebrate a journey—a journey carved through two centuries of resilience, cultural splendour, and an indomitable spirit. For two hundred years, our story has unfolded, a tapestry woven with triumphs and trials alike. As we mark this extraordinary bicentennial, let us reflect on the milestones we've achieved and stride forward with hope, embracing the boundless promise of the future that awaits.

The 2024/25 mid-year economic and fiscal review for the Kingdom of Lesotho stands as both a testament to our past efforts and a roadmap to the future we aspire to shape. While we confront enduring challenges such as elevated unemployment and persistent inequality, we also celebrate signs of promise—an encouraging growth trajectory fuelled by strategic initiatives that embody the same unyielding spirit that has carried us through two hundred years.

## **Macroeconomic Trends and Outlook**

### **Recent Global and Regional Economic Developments**

**Mr. Speaker**, as we consider the broader global context, we must acknowledge the complex economic landscape. The global economy is predicted to stabilize, with growth rates of approximately 3.2 percent for the years 2024 and 2025. While inflation in advanced economies shows signs of moderation, we must remain aware of the underlying risks, including high debt levels and global uncertainties and current and escalating geopolitical tensions.

Sub-Saharan Africa's growth, projected at 3.6 percent for 2024, reflects both promise and challenge. We must ensure that our strategies are aligned with these regional dynamics, positioning Lesotho to benefit from the expected recovery while safeguarding our economic interests and building buffers for absorbing exogenous shocks that characterise the current global economic environment.

## **Domestic Economic Developments**

**Mr. Speaker,**

The domestic economy is projected to grow by 2.4 per cent in 2024, driven by ongoing mega-projects, mainly the Lesotho Highlands Water Project (LHWP II) and the Millennium Challenge Corporation (MCC) Compact II, and growth in the services sector. Government construction projects are also projected to contribute to the economy's growth. The services sector is expected to be spurred by positive spillovers from the ongoing projects, with industries such as finance & insurance, wholesale & trade and transport seeing notable gains. Nonetheless, in the primary sector, growth is expected to be muted in 2024, held back by drought-induced poor harvest in the agricultural sub-sector and low diamond prices in the global mining industry. Additionally, the manufacturing industry, particularly the textile and clothing sub-sector is likely to act as a further drag on growth due to ongoing demand challenges.

Domestic headline inflation eased to 4.7 per cent in October 2024 from 5.2 per cent in September. This was mainly driven by falling fuel and food prices, along with the recent

appreciation of the rand/loti. However, relatively high and elevated food prices are expected to remain a risk to the inflation outlook in the near term.

The annual inflation rate is projected to increase to 6.5 per cent in 2024 as domestic food prices remain volatile. Despite decreasing food inflation in South Africa, domestic food prices have been volatile keeping the inflation differential between Lesotho and South Africa wide in 2024. Inflation averaged 7.1 per cent in the first half of 2024 with food inflation averaging 9.6 per cent. In the medium-term, inflation rate is forecast to moderate to average 5.5 per cent in 2025 and 5.0 per cent in 2026.

The CBL rate was reduced by 25 basis points to 7.5 per cent, on 26 November (yesterday). Consequently, domestic interest rates, including the prime lending rate are expected to follow suit. Majority of central banks both in the developed and emerging market economies have cut policy rates in response to lower inflationary pressures. Accordingly, both the long term and short-term interest rates are likely to remain low and stable to facilitate economic activity.

The upward adjustment of our growth projection reflects the tangible impact of our efforts, particularly in the construction sector, where the Lesotho Highlands Water Project (LHWP-II) continues to drive significant progress and economic momentum.

On the other hand, the mining sector has struggled due to unfavourable prices of rough diamonds in the global markets, while the textile industry continues to grapple with reduced demand, driven largely by shifts in U.S. consumer spending patterns.

These underperforming sectors, which are critical to our economy, highlight the pressing need for targeted interventions to bolster their competitiveness and resilience against shocks. Their contraction underscores the fragility of our growth.

The reduction in public administration, stemming from efforts to curb non-essential expenditures is a positive step toward fiscal consolidation that has begun to produce positive results. As much as this stance must be sustained, it must also be

balanced with accelerated implementation of the capital budget and private sector activity, in line with the National Strategic Development Plan II, to sustain our growth.

## **Fiscal Policy**

### **Medium Term Fiscal Strategy**

- 1) Our medium-term fiscal strategy is designed to strengthen fiscal sustainability, paving the way for resilient and employment-generating growth. By focusing on revenue diversification and efficiency in revenue collection, we can maintain our commitment to keeping the fiscal deficit under 3.0 percent of GDP while ensuring that our debt remains below the 60.0 percent threshold.

### **Key Priorities for the 2024/25 Fiscal Year**

- 2) The 2024/25 identified five (5) priority sectors, namely agriculture, manufacturing, tourism, technology and creative industries and infrastructure. These sectors were carefully selected to drive growth and job creation through elevated investments and activity of the private sector.



- i. **Infrastructure Developments:** The Lesotho Highlands Water Project II (LHWP II) is making significant strides, with major investments in transportation, logistics, and financial services. This project is instrumental in fostering growth and has successfully generated numerous job opportunities for young professionals in Lesotho. Additionally, the government is dedicated to enhancing connectivity through the construction and rehabilitation of roads and bridges to facilitate economic initiatives. Furthermore, plans are in place to develop hydropower stations, which will bolster the country's energy infrastructure and lessen dependence on imported energy sources.
- ii. **The outlook for tourism** is optimistic, with an expected growth rate of 3.7 percent by the end of the fiscal year. This momentum is likely to continue, reaching 4.0 percent in 2025/26, as more visitors are drawn to our rich cultural and natural heritage.
- iii. **Agriculture** is projected to experience steady growth, with an anticipated average increase of 3.1 percent in 2025/26 over the medium term. This growth is expected to be driven by initiatives aimed at modernizing farming

practices and enhancing food security, bolstered by the support of MCC II.

- iv. **The manufacturing sector** is anticipated to experience growth in the upcoming fiscal year, with a projected recovery of 0.3 percent in 2025/26, followed by an average increase of 0.7 percent in the medium term. This optimistic forecast is largely attributed to increased investment in domestic production.
- v. **Improved ICT Infrastructure:** Lesotho has made significant strides in improving its ICT infrastructure, leading to increased mobile phone usage and internet penetration. Meanwhile, the Government has introduced the **National Digital Transformation Strategy 2024**, which seeks to leverage technology and innovation to enhance human development. This initiative is designed to tackle issues including infrastructure shortcomings, gaps in digital literacy, and financial limitations.

The promising performance of these key sectors demonstrates our progress toward a diversified and resilient economy.

3) **Mr. Speaker**, despite facing climate challenges, agriculture remains a critical pillar of our economy. By embracing sustainable practices and diversifying crop production, we can bolster food sovereignty and create employment opportunities for our citizens. However, we must be deliberate and intentional about growing this sector sustainably by reflecting on policy instruments that have worked and those that have not worked with the view to leverage positive strides and re-shape what needs to be improved.

### **Fiscal Policy Position in the first half of the year**

4) **Mr. Speaker**, in the first half of this year, we have witnessed a robust fiscal position primarily due to our increasing revenues from the Southern African Customs Union (SACU). This inflow, alongside a tick up in water royalties from tariff adjustments, has granted us the flexibility to allocate funding for public infrastructure development and social spending while maintaining fiscal prudence.

5) However, it remains essential that we deal effectively with and manage payment arrears while ensuring that our

expenditures align with our revenue projections. We anticipate a significant improvement in our fiscal position, projecting a surplus of 2.9 percent of GDP by the end of this fiscal year.

## **Debt Management**

6) **Mr. Speaker**, as we conclude the first half of this fiscal year, total outstanding debt disbursed stands at M21.9 billion. This figure comprises M3.8 billion in domestic debt and M18.1 billion in external debt. It is encouraging to report that we have achieved a reduction of M1.3 billion since the start of the fiscal year. This achievement is largely attributed to favourable exchange rates and our commitment to higher repayments of domestic debt compared to new issuances.

## **Performance of Budget Allocations**

7) **Mr. Speaker**, we have reached a significant milestone in our financial journey - a journey marked by resilience, determination, and collective effort. Today, I am pleased to report that we have successfully collected M13.1 billion in total revenue. This figure represents 50 percent of our ambitious target of M24.1 billion for this fiscal year and is

composed of M5.8 billion from the Southern African Customs Union (SACU) receipts, M4.6 billion from domestic taxes, and M2.7 billion from non-tax revenue streams.

8) It is important to note that SACU revenue continues to overshadow our domestic tax revenue portraying the persisting dependence on this volatile source. This signifies our continuing vulnerability to global economic developments.

9) It is evident that tax revenue is performing lower than budget to date, driven by lower diamonds activity; as well as subdued VAT and Withholding Tax revenue. The fall in tax revenue calls for collaboration and strategic foresight to further strengthen economic growth and drive for better compliance. This reduction has been overshadowed by a tick up in Water royalties resulting from successful negotiations of the 1986 Lesotho Highlands Water Project Treaty with South African Authorities. It is extremely important to channel Water royalties to sustainable growth enhancing projects and programmes that will secure us broad based,

inclusive and sustainable growth as well countering economic cycles.

10) On the expenditure side, as we celebrate continuing efforts to consolidate and curb non-essential spending we must also acknowledge the challenges that lie ahead. The Recurrent Budget for the 2024/25 fiscal year was initially set at M21.3 billion but has since been revised upwards to M22.0 billion by the end of this reporting period. This adjustment reflects our commitment to addressing pressing needs through a supplementary budget allocation of M712 million - funds earmarked for activities such as the construction of the Petroleum Fund office and settling outstanding arrears.

11) The capital budget for the 2024/25 budget was M9.6 billion of which government financing was M2.9 billion, M3.5 billion would be financed by loans and M3.3 billion would be financed by grants.

12) The assessment of the performance of capital projects for the first half of the 2024/25 financial year reveals an overall expenditure performance of only 25.4% of the budget.

- 13) Needless to say, this performance is low for the half-year period. Capacity to implement projects effectively continues to be low pointing to the need to build project management skills and capacity within the civil service. This also signifies deficiencies in the current Public Investment Management Infrastructure and arrangements. At this rate slow pace of rolling out the investment programme compromises achievement of faster economic growth going forward – making it harder to achieve sustainable growth.
- 14) Looking ahead to the end of this fiscal year, we have allocated a debt service budget of M3.1 billion. This includes M2.1 billion for principal repayments and M1.0 billion for interest payments. As of the end of the second quarter, we have utilized M1.4 billion, which represents 46 percent of our budget. This expenditure includes M1.0 billion directed towards principal repayments and M378.2 million for interest.
- 15) We will continue to manage our debt portfolio in a manner that secures funding for government needs at the lowest cost possible and support our macroeconomic policy framework.

16) **Mr. Speaker, it is important to note that our debt remains moderately sustainable with limited space to absorb shocks as assessed by the latest IMF article IV 2024.** It also implies that we may need to use some of the savings from the anticipated budget surplus to accelerate some repayments to reduce the large debt burden in the form of interest payments, and to create space for more growth friendly borrowing to finance a transformational project portfolio currently under construction.

17) Effective debt management is not merely an administrative task. It is a vital component of our responsibility to ensure the financial stability and growth of our nation. Let us continue to work diligently to navigate these challenges and secure a prosperous future for all.



## **Expenditure Allocations and Program Performance**

### **Enhancing Inclusive and Sustainable Economic Growth**

18) Mr. Speaker, allow me to delve into the critical topic of expenditure allocations and program performance in our quest for inclusive and sustainable economic growth in Lesotho. The Government is deeply committed to implementing strategies that prioritize inclusivity and sustainability. This commitment is not just a policy but a pledge to create a robust and resilient economic framework that serves the needs of individuals while benefiting the nation at large.

19) We imagine an economy that promotes development in a manner that is equitable, socially responsible, and environmentally conscious. This vision is set to pave the way for a more prosperous and harmonious future for all our citizens. **Mr. Speaker**, fostering collaboration and innovation is at the heart of our initiatives. The Government is actively rolling out projects aimed at uplifting and empowering individuals and communities as well as addressing critical challenges. These projects are the lifeblood of our economy and the foundation upon which we build resilience.

Moreover, we recognize that the private sector in particular agriculture is central to our sustainability, prosperity, and resilience. To advance agricultural production and productivity, the Government is implementing a comprehensive approach which is designed to ensure that our agricultural sector not only meets the needs of today but also supports the livelihoods of future generations.

20) **Mr. Speaker**, it is worth mentioning that 2,109 farmers have been equipped with knowledge in climate-smart agricultural practices, irrigation, agri-business, and other adaptive competencies. Additionally, a digital agriculture strategy has been established to provide a framework for the integration of an agricultural database.

21) To enhance investment in agricultural value chains, M8.0 million has been allocated in grants to 35 beneficiaries, including 10 youth. Furthermore, the government has facilitated access to machinery for 8 farmers through the Post Bank.

22) Productive enhancing investments like construction at Pulane irrigation scheme has been completed and is operational, while nine (9) other irrigation schemes are ongoing at Mosaqane (Qacha's Nek), Motamolane (Mafeteng), Ha Meshaka (Maseru), Ha Tsiu (Thaba-Tseka), Lipohong (Berea), Thaba-Phatsoa (Leribe), Ts'ilants'o and Makoabating (Mokhotlong) as well as Makhetheng (Quthing), and at Setibing irrigation schemes where lateral installation by farmers is pending. Furthermore, construction works are ongoing for the stockpiling storage facility at Ha-Foso, contributing preserving of agricultural food stocks, while at the same time generating employment.

23) **Mr. Speaker**, in relation to industrial development, the economic environment in Maseru and Maputsoe have experienced significant growth with the recent establishment of new industries alongside the reopening and expansion of existing ones in Ha Thetsane and Ha Nyenye. These advancements have greatly enhanced the local employment sector, creating job opportunities for a total of 3000 individuals.

Noteworthy progress has been made with the construction of a bulk water supply system for the Ha Belo Industrial Estate, facilitating the operationalization of sixteen factory shells by the end of the fiscal year. Internal electricity connections have been finalized and tested in preparation for the completion of the bulk electricity supply. Furthermore, the construction of seven factory shells at Ha Tikoe Phase III has been completed and equipped with the necessary accessories. Additionally, a 2.5 ML tank, designated to supply water to the factories, has been constructed and is currently awaiting watertightness testing.

24) **Mr. Speaker,** I am pleased to report that the Entrepreneurship Hub and Seed Financing Facility is fully operational, facilitating the incubation and mentoring of Micro, Small, and Medium Enterprises. In the current fiscal year, we have enhanced the capacity of twenty-seven Enterprise Support Organizations, which have effectively empowered eighteen enterprises. Furthermore, one hundred enterprises have been incubated, resulting in the creation of 193 jobs and the integration of new digital technologies into their operations.

25) **Mr Speaker**, the Lesotho Enterprises Assistance Programme under the Competitiveness and Financial Inclusion (CAFI) Project has 94 enterprises with the matching grants to improve operations of the businesses. Fifteen of the assisted enterprises have adopted new digital technologies.

26) The Youth Entrepreneurship Program at BEDCO is currently incubating 38 youth start-ups, alongside 10 initiatives under the Bacha Entrepreneurship Project and 28 entries in the Business Plan Competition. Additionally, BEDCO has effectively organized several flea markets and conducted Market Linkages Sessions for MSMEs, resulting in 18 MSMEs establishing market connections from a total of 48 participants.

27) **Mr. Speaker**, the Lesotho Horticulture Incubation and Training Centre, which was established in 2023 in Mahobong, Leribe district, is now fully operational. This fiscal year, we have trained 80 farmers in the commercial cultivation of deciduous fruits, including apples, apricots, peaches, and plums. To date, 76,000 tree seedlings have been procured for planting across 35 hectares. Additionally, 9

farmers have been selected to participate in the ongoing full incubation program. Furthermore, a sorting and packing line machine has been acquired to offer communal sorting and packing services for farmers with existing commercial orchards.

28) **Mr. Speaker**, the Millenium Challenge Account (MCA) Compact II Lesotho has invested in the agricultural sector to facilitate the advancement of commercial horticulture. Four irrigation schemes have been selected in Leribe (Likhakeng, Peka, Kolonyama) and Mohale's Hoek (Phamong). Nine anchor investors from Lesotho and South Africa have expressed their commitment to pursue commercial partnership agreements with the communities in these designated areas.

29) **Mr. Speaker**, to promote and enhance technology transfer and adoption, a successful Science, Technology, Engineering, Arts, and Mathematics (STEM) conference was held, during which 200 young innovators were chosen to present their ideas. From this group, 50 exceptional individuals progressed to the Prime Minister's Youth Empowerment Initiative (Sebatatso), providing them with a chance to qualify for the

prestigious Youth Konnekt program in Rwanda, which offers significant opportunities for their innovations. As I stand here today, I am honoured to announce that 22 youth innovators successfully participated in the said program in the first week of November 2024.

30) **Mr. Speaker**, as we assess our program performance, let us remain steadfast in our commitment to fostering an inclusive and sustainable economy. Together, we can build a Lesotho where every citizen has the opportunity to thrive, contributing to a brighter and more equitable future.

### **Strengthening Human Capital**

31) **Mr. Speaker**, the esteemed members of this House and the entire nation have observed the successful completion and official inauguration of the Maseru District Hospital by The Right Honourable The Prime Minister. This state-of-the-art facility introduces exceptional services and infrastructure, crafted to uphold the highest standards of medical care.

Notable features of the Facility include:

- The Intensive Care Unit (ICU) that operates at a high level of care, equipped with cutting-edge monitoring technology and supported by a team of exceptionally trained medical staff dedicated to providing comprehensive service around the clock.
- The newly established Dialysis Unit that is intended to provide all-encompassing care for those with kidney diseases, making certain that they have access to vital life-saving treatments.
- The Endoscopy Unit which improves diagnostic capabilities, thereby promoting the early detection and management of various gastrointestinal issues.
- The expansion of Laboratory Services that features upgraded diagnostic services, encompassing comprehensive pathology and tumor marker testing. These important services will contribute to more accurate diagnoses and the development of tailored treatment plans for patients confronting cancer and other significant health challenges. Moreover, the introduction of Blood Donation Services will simplify the process for community



members to donate to the blood bank, promoting mutual support in times of need.

- An Infectious Disease Unit which specializes in the diagnosis, treatment, and management of these health concerns.
- Introduction of five payment points, aimed at simplifying the payment process and reducing stress during visits.
- Appointment of additional 427 health professionals.

32) **Mr. Speaker**, the hospital currently features five major operating theatres and three minor theatres, a significant expansion from the prior count of three theatres. Additionally, a newly established training facility, complete with dormitory accommodations, will offer virtual training opportunities for healthcare professionals, thereby reinforcing our commitment to leadership in medical innovations and best practices.

33) **Mr. Speaker**, in improving the quality of education and creating a more conducive environment for both educators and students, I am delighted to report that 956 school principals have successfully transitioned into permanent

roles after serving in acting capacities for an extended duration. This change not only provides stability within our schools but also significantly elevates the quality of leadership that our educational institutions urgently require. Furthermore, the decentralization of the Teaching Service Department has been effectively completed in several districts, including Berea, Mafeteng, Mohale's Hoek, Quthing, Qacha's Nek, Leribe, and Butha-Buthe. This vital development empowers local authorities and fosters a more adaptable educational system that can address the specific needs of each community.

34) **Mr. Speaker**, I would also like to take this moment to extend my sincere gratitude to the Proprietor and Patron of Moshoeshoe II High School. The Royal Family's essential contribution to the establishment of Lerotholi Polytechnic has profoundly influenced our educational framework. I am proud to announce that the former facilities of Moshoeshoe II High School have been transformed and renamed Lerotholi Polytechnic Moshoeshoe II Campus. This institution has embarked on an inspiring path, now providing fully accredited degree programs in diverse fields such as

Architecture, Computer Engineering, and Electronics and Telecommunications with 120 students currently enrolled.

Additionally, in partnership with the UNDP, the Lesotho University Innovation Pod (UNIPOD) hosted at Lerotholi Polytechnic is nearing completion. This facility will be accessible to students from all institutions nationwide, serving as a space for makers and innovators to make prototypes.

35) **Mr. Speaker**, the enhancement of human capital transcends mere policy; it represents a commitment to our future. By investing in our educators and empowering our institutions, we are equipping the next generation with the knowledge and skills essential for success in a rapidly evolving world. Together, let us persist in establishing a solid foundation for our nation's progress.

### **Building Enabling Infrastructure**

36) **Mr. Speaker**, the Government remains committed to advancing infrastructure development to ensure efficient service delivery and equitable access to opportunities.

Finally, the Government have successfully completed the construction of Mpiti-Sehlabathebe road, Sejabatho bridge and reconstruction of Tsoaing bridge which all were inaugurated by The Right Honourable The Prime Minister. Additionally, the Marakabei-Mononts'a road and Hololo bridge are nearing completion and are now open for traffic. As part of the routine maintenance of paved roads, the Government has successfully rehabilitated Moshoeshoe Road, Kofi Annan Road, Malesaoane-Butha-Buthe, and Ha Nqheku-Thota-Peli roads. Moreover, the construction of the Au-Jimisi, Tseka - Penapena, and Kou-Motau footbridges has been finalized and is now accessible to the public.

37) The provision of safe drinking water is a fundamental necessity and a basic human right. To date **Mr. Speaker**, we have successfully established 550 house connections in Ha Makhoathi and Ha Bosofo, with an additional 11 connections completed in Ha Mabote. Moreover, the reservoirs at Upper Qoaling, Mpilo, Ha Makhoathi, and Ha Tsiame have also been successfully constructed.

38) **Mr. Speaker**, to ensure the long-term reliability and efficiency of water transfer and electricity generation,

services at the Muela Hydro Power Station have been temporarily suspended. This interruption is essential for scheduled maintenance, which is anticipated to be completed by March 2025. This esteemed house will recall that the key infrastructure initiatives for the Lesotho Highlands Water Project (LHWP) Phase II encompass the construction of the Polihali Dam, the Polihali to Katse transfer tunnel, and three bridges: Senqu, Khubelu, and Mabunyane. Mr. Speaker, the nation has witnessed the arrival of the Tunnel Boring Machine, and construction is actively underway, with the Polihali Dam currently at 16 percent completion and the tunnel at 22 percent. To improve connectivity across the challenging project terrain, the Senqu bridge is at 59 percent completion creating jobs for 95 unskilled and 55 skilled workers.

39) **Mr Speaker**, at this point, the whole project has hired more than 8,000 Basotho, with around 3,000 of those being unskilled labourers from the surrounding project area. In relation to skill enhancement, the LHDA young professional program has brought in young graduates from various disciplines, including engineering, architecture, archaeology,

and environmental and social sciences, to help them gain practical experience.

40) **Mr. Speaker**, the current project includes the provision of housing resettlement and the relocation of 1,170 graves as part of resettlement processes.

41) **Mr. Speaker**, in an effort to enhance the security of our nation's energy supply, the Government has integrated 86GWh into the national grid from the Ramarothole 30MW Solar Generation Plant (Phase I). However, the project is currently facing considerable soil degradation challenges. In response, the Government is proactively implementing soil conservation measures and has engaged around 80 local temporary workers who operate on a bi-monthly rotation.

42) Additionally, preparations for the Rehabilitation and Upgrading of the Katse 1.1MW Hydropower Plant are underway, with the contractor conducting preliminary work at the site. The delivery and installation of equipment are anticipated in January and February 2025. During this reporting period, the government is collaborating with Independent Power Producers to establish 50MW of solar

power in Thaba-Tseka and 60MW of wind power in Mohale's Hoek. A total of 313 households have been successfully connected to electricity through mini grids in Tlhanyaku, Matsoaing, Mashai, Sehong-hong, Sehlaba-Thebe, and Ketane. Furthermore, three health centers—St. Rodriques, Bethel, and Mokoto—along with 25 schools have been electrified under the Lesotho Renewable Energy and Energy Access Project (LREEAP).

43) **Mr. Speaker**, the implementation of the Vision Mixer at TV Lesotho facilitates seamless transitions between video sources, significantly enhancing the quality and professionalism of live broadcasts. This system also enables the application of real-time effects and transitions. In addition, Parliament has acquired state-of-the-art digital equipment and software designed to improve the legislative process and promote greater public transparency. Consequently, this technological upgrade allows parliamentary sessions to be broadcast in superior quality, providing citizens with enhanced audio and visual experiences during the proceedings.

## **Strengthening National Governance and Accountability**

44) **Mr. Speaker**, in our commitment to improving access to justice and optimizing Judiciary services, we have achieved significant progress. The preliminary version of the case flow management plan has been implemented, and we have successfully conducted special criminal sessions in Berea, Mafeteng, and Butha-Buthe, resulting in the resolution of 69 cases. Additionally, the Child Friendly Court in Mohale's Hoek is now fully operational, while the courts in Thaba-Tseka and Berea are advancing towards completion.

45) **Mr. Speaker**, to enhance the capabilities of key institutions in the fight against corruption and crime, including homicide, human trafficking, and gender-based violence, the government has provided computer forensics to Operation FIELA as part of its digital forensic initiatives. Moreover, the Draft Cyber Incident Response Policy and Plan (IRP) 2024 has been approved, which will allow the formation of the Cyber Security Incident Response Team (CSIRT). Additionally, two cyber operations were conducted to triangulate Base Transceiver Stations (BTS) for the



identification and location of individuals involved in scams and other criminal activities.

46) **Mr. Speaker**, in our continuous efforts to combat corruption, the implementation of an in-house electronic case management system has greatly enhanced the DCEO's capacity to manage case flow. A dedicated call centre has also been established, enabling the public to report corruption incidents at any time and from any location. During this period, the DCEO has received, analysed, and documented 220 reports of alleged corruption, money laundering, and related offenses, amounting to M203.8 million. Out of these reports, 162 cases were referred for further investigation, while 58 were directed to the appropriate institutions for action.

47) We continued to implement public financial management reform agenda. These include enhancement of procurement systems through the establishment of the Lesotho procurement board which is advancing the establishment of the Lesotho Procurement Authority. The gazettelement of the Procurement Tribunal and procurement regulations should be done in the next few days.

- 48) We have a number of bills in the pipeline for Parliament consideration in the earliest opportunity, for instance PPP bill and Public Financial Management Bill and related regulations. Other important developments include Digitalisation especially of treasury processes and integration with other systems.
- 49) Parliament has also worked hard on the legislative programme for the year. There is notable progress on constitutional reforms and a number of bills that have received sharp reviews. We are grateful for the support.

### **Cross-Cutting Issues**

- 50) **Mr. Speaker**, the Youth Summit, organized by the youth themselves, was held to educate, empower, and equip young individuals while promoting patriotism and addressing local community challenges. This event attracted five hundred participants from various regions of Lesotho, including innovative change-makers and young entrepreneurs who exchanged their experiences and collaborative solutions.
- 51) **Mr. Speaker**, the Cash for Work (Tsoha-U-iketsetse) program, designed to address food insecurity worsened by El

Niño, has received M50 million in funding. This initiative aims to assist the most vulnerable households across the nation, with 26,293 beneficiaries already reached. Furthermore, the ongoing reconstruction and reroofing efforts for houses belonging to vulnerable individuals have successfully completed 18 houses, with an additional 31 expected to be finished by the end of November 2024.

52) Mr Speaker, As I conclude I reflect upon these developments, I am reminded of a quote by Mahatma Gandhi: **“The best way to find yourself is to lose yourself in service of others.”** It is through service - our unwavering dedication - that we will continue forging pathways toward progress. So today, I urge each one of us: let us remain steadfast in our commitment to serve our nation with integrity and purpose! Let us work together harmoniously across sectors - governmental bodies, civil society organizations, private enterprises - to ensure that every citizen feels empowered by their government’s actions.

53) Finally, **Mr Speaker**, we have travelled thus far with the profound support of various partners within the fiscus space. I therefore, feel humbled and honoured to register my appreciation to the Right Honourable The Prime Minister, my colleagues -Cabinet Ministers, the development partners, and all dedicated professionals who have extended their unwavering support to our collective efforts in this journey. Eventhough we are halfway through, we are grateful to have walked together and experienced the successes and turbulences together.

It would also be remiss of me not to thank the private companies, Non-Governmental Organisations and the entire nation for their cooperation and support to the cause of our fiscal policy.

# TABLES

## MEDIUM TERM FISCAL FRAMEWORK

Million LSL	Actual 23/24	Budget 2024/25	Actual six Months	Projected Outturn 24/25	Budget 25/26	Budget 26/27	Budget 27/28
<b>Revenue</b>	<b>23 327.2</b>	<b>27 712.6</b>	<b>13 674.2</b>	<b>26 338.8</b>	<b>28 590.0</b>	<b>29 037.7</b>	<b>29 553.4</b>
<b>Taxes</b>	<b>9 244.7</b>	<b>9 948.3</b>	<b>4 645.4</b>	<b>9 084.7</b>	<b>10 272.9</b>	<b>10 835.8</b>	<b>11 424.5</b>
Taxes on income, profits and capital gains	4 600.5	4 930.9	2 368.7	4 351.0	4 825.4	5 031.7	5 296.3
Taxes on goods and services	4 643.5	5 017.0	2 276.5	4 733.3	5 446.9	5 803.5	6 128.1
Value added taxes	3 715.1	4 359.1	1 888.6	3 886.9	4 197.4	4 486.0	4 764.4
<b>Grants</b>	<b>1 024.1</b>	<b>3 659.9</b>	<b>576.8</b>	<b>1 701.1</b>	<b>2 010.6</b>	<b>2 099.3</b>	<b>2 188.2</b>
<b>Other revenue</b>	<b>2 909.9</b>	<b>2 556.3</b>	<b>2 677.4</b>	<b>4 003.8</b>	<b>6 638.6</b>	<b>6 306.4</b>	<b>5 650.6</b>
Property income (primary income)	680.4	636.7	641.0	874.0	486.5	568.8	594.1
Dividends	67.0	163.6	188.1	189.9	104.5	104.5	107.0
Rent	597.3	454.2	160.2	391.3	363.0	445.3	468.2
Sales of current goods and services (incl Telecom lic.)	2 042.0	1 649.0	1 969.9	3 093.9	6 150.1	5 735.3	5 041.7
Water LHDA	54.3	36.6	1 941.4	2 956.8	5 986.5	5 567.3	4 865.8
Fines and penalties	1 987.7	1 612.4	0.0	3.7	1.7	2.0	2.5
<b>SACU</b>	<b>10 148.5</b>	<b>11 548.0</b>	<b>5 774.6</b>	<b>11 549.2</b>	<b>9 667.9</b>	<b>9 796.2</b>	<b>10 290.1</b>
<b>Expenditure</b>	<b>20 535.0</b>	<b>28 756.9</b>	<b>11 478.4</b>	<b>25 071.9</b>	<b>28 604.3</b>	<b>29 398.5</b>	<b>30 432.8</b>
<b>Expense</b>	<b>16 919.1</b>	<b>19 061.7</b>	<b>8 860.2</b>	<b>18 331.2</b>	<b>19 552.0</b>	<b>20 753.7</b>	<b>21 788.0</b>
Compensation of employees	7 075.0	7 866.9	3 603.2	7 335.6	8 536.8	9 153.5	9 650.1
Wages and salaries	6 443.5	6 992.8	3 227.0	6 513.0	7 690.8	8 283.7	8 733.1
Use of goods and services	2 381.4	3 263.4	1 100.6	2 693.6	2 748.5	2 861.9	2 979.8
Interest	821.0	1 006.8	381.6	939.5	1 104.3	1 211.6	1 272.1
Subsidies (almost all to public NFC)	817.1	676.2	415.3	997.0	1 050.6	1 102.4	1 154.2
Grants	2 111.1	1 961.6	1 255.7	2 400.8	1 905.5	2 025.2	2 139.2
Social benefits	2 278.8	2 344.2	1 194.4	2 344.4	2 555.0	2 680.8	2 806.8
Other expense	1 434.7	1 942.6	909.5	1 620.4	1 651.4	1 718.3	1 785.9
Students	1 109.2	1 299.6	649.8	1 299.6	1 329.6	1 395.4	1 462.0
<b>Capital Expense - by Source</b>	<b>3 615.9</b>	<b>9 695.2</b>	<b>2 618.3</b>	<b>6 740.6</b>	<b>9 052.3</b>	<b>8 644.8</b>	<b>8 644.8</b>
Government of Lesotho	1 807.3	2 934.3	1 236.3	2 934.3	3 644.4	4 286.0	4 286.0
Donor Loans	1 116.2	3 496.1	915.5	2 105.2	3 397.3	2 259.6	2 170.6
Donor Grants	692.4	3 264.7	466.5	1 701.1	2 010.6	2 099.3	2 188.2
<b>Net borrowing/lending (Overall fiscal balance)</b>	<b>2 792.2</b>	<b>-1 044.3</b>	<b>2 195.8</b>	<b>1 266.9</b>	<b>-14.3</b>	<b>-360.8</b>	<b>-879.4</b>

## MEDIUM TERM FISCAL FRAMEWORK

Percent of GDP	Actual 23/24	Budget 2024/25	Actual six Months	Projected Outturn 24/25	Budget 25/26	Budget 26/27	Budget 27/28
<b>Revenue</b>	<b>58.9%</b>	<b>66.3%</b>	<b>32.8%</b>	<b>63.2%</b>	<b>64.9%</b>	<b>62.1%</b>	<b>60.4%</b>
<b>Taxes</b>	<b>23.4%</b>	<b>23.8%</b>	<b>11.1%</b>	<b>21.8%</b>	<b>23.3%</b>	<b>23.2%</b>	<b>23.4%</b>
Taxes on income, profits and capital gains	11.6%	11.8%	5.7%	10.4%	10.9%	10.8%	10.8%
Taxes on goods and services	11.7%	12.0%	5.5%	11.4%	12.4%	12.4%	12.5%
Value added taxes	9.4%	10.4%	4.5%	9.3%	9.5%	9.6%	9.7%
<b>Grants</b>	<b>2.6%</b>	<b>8.8%</b>	<b>1.4%</b>	<b>4.1%</b>	<b>4.6%</b>	<b>4.5%</b>	<b>4.5%</b>
<b>Other revenue</b>	<b>7.4%</b>	<b>6.1%</b>	<b>6.4%</b>	<b>9.6%</b>	<b>15.1%</b>	<b>13.5%</b>	<b>11.6%</b>
Property income (primary income)	1.7%	1.5%	1.5%	2.1%	1.1%	1.2%	1.2%
Dividends	0.2%	0.4%	0.5%	0.5%	0.2%	0.2%	0.2%
Rent	1.5%	1.1%	0.4%	0.9%	0.8%	1.0%	1.0%
Sales of current goods and services (incl Teleco)	5.2%	3.9%	4.7%	7.4%	14.0%	12.3%	10.3%
Water LHDA	0.1%	0.1%	4.7%	7.1%	13.7%	12.1%	10.3%
Fines and penalties	5.0%	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>SACU</b>	<b>25.6%</b>	<b>27.6%</b>	<b>13.9%</b>	<b>27.7%</b>	<b>21.9%</b>	<b>20.9%</b>	<b>21.0%</b>
<b>Expenditure</b>	<b>51.9%</b>	<b>68.8%</b>	<b>27.5%</b>	<b>60.2%</b>	<b>64.9%</b>	<b>62.8%</b>	<b>62.2%</b>
<b>Expense</b>	<b>42.7%</b>	<b>45.6%</b>	<b>21.3%</b>	<b>44.0%</b>	<b>44.4%</b>	<b>44.4%</b>	<b>44.5%</b>
Compensation of employees	17.9%	18.8%	8.6%	17.6%	19.4%	19.6%	19.7%
Wages and salaries	16.3%	16.7%	7.7%	15.6%	17.4%	17.7%	17.9%
Use of goods and services	6.0%	7.8%	2.6%	6.5%	6.2%	6.1%	6.1%
Interest	2.1%	2.4%	0.9%	2.3%	2.5%	2.6%	2.6%
Subsidies (almost all to public NFC)	2.1%	1.6%	1.0%	2.4%	2.4%	2.4%	2.4%
Grants	5.3%	4.7%	3.0%	5.8%	4.3%	4.3%	4.4%
Social benefits	5.8%	5.6%	2.9%	5.6%	5.8%	5.7%	5.7%
Other expense	3.6%	4.6%	2.2%	3.9%	3.7%	3.7%	3.7%
Students	2.8%	3.1%	1.6%	3.1%	3.0%	3.0%	3.0%
<b>Capital Expense - by Source</b>	<b>9.1%</b>	<b>23.2%</b>	<b>6.3%</b>	<b>16.2%</b>	<b>20.5%</b>	<b>18.5%</b>	<b>17.7%</b>
Government of Lesotho	4.6%	7.0%	3.0%	7.0%	8.1%	9.0%	8.7%
Donor Loans	2.8%	8.4%	2.2%	5.1%	3.6%	3.5%	3.4%
Donor Grants	1.7%	7.8%	1.1%	4.1%	8.4%	5.6%	5.4%
<b>Net borrowing/lending as a % of GDP</b>	<b>7.1</b>	<b>-2.5</b>	<b>5.3</b>	<b>3.0</b>	<b>0.0</b>	<b>-0.8</b>	<b>-1.8</b>

## REAL SECTOR DEVELOPMENTS

Annual Growth Rates	23/24 <u>Act.</u>	24/25 <u>Est.</u>	25/26	26/27 <u>Forecast</u>	27/28
<b>Inflation</b>	<b>6.4</b>	<b>6.4</b>	<b>5.4</b>	<b>4.9</b>	<b>4.7</b>
<b>Real Economic Growth</b>	<b>1.9</b>	<b>2.3</b>	<b>2.7</b>	<b>2.2</b>	<b>2.1</b>
Agriculture	5.9	1.3	2.7	3.2	3.5
Growing of crops	3.9	-5.1	0.9	2.6	2.8
Farming of animals	6.7	2.6	3.1	3.5	3.7
Mining	1.3	-5.0	-2.9	0.7	1.9
Manufacturing	-11.4	-1.2	0.3	0.6	0.8
Textiles	-12.9	-1.3	0.2	0.5	0.7
Electricity	3.2	1.3	2.2	2.4	2.7
Water	-13.4	1.2	1.4	1.5	1.4
Construction	9.6	25.1	17.5	9.8	6.2
Wholesale and retail trade	2.1	1.8	3.1	2.4	2.1
Finance and insurance activities	10.6	4.3	4.0	2.8	2.6
Accommodation and food service activities	14.1	3.7	4.0	4.4	4.8

2024/25 SECOND QUARTER REVENUE COLLECTION BY ITEM			
Revenue Items	Targeted Revenue	Actual Collections	Quarter 2 Actual Collection
301 - Agriculture, Food Security and Nutrition	89 627 707	11 254 826	13%
302 - Health	21 392 566	6 405 711	30%
303 - Education and Training	3 992 000	1 155 074	29%
304 - Finance and Development Planning	21 353 746 458	9 709 075 000	45%
305 - Trade, Industry and Business Development	8 834 540	4 259 020	48%
306 - Gender, Youth and Social Development	1 008 218	-	0%
307 - Law and Justice	3 877 740	2 959 063	76%
308 - Local Government, Chieftainship, Home Affairs & Police	37 774 962	15 449 838	41%
309 - Prime Minister's Office	-	31 339	0%
310 - Information, Communications, Technology & Innovation	19 030 475	2 577 287	14%
311 - Directorate on Corruption and Economic Offences	60 000	44 989	75%
312 - Foreign Affairs and International Relations	660 000	196 062	30%
313 - Public Works and Transport	36 177 056	14 229 689	39%
314 - Environment and Forestry	406 576	91 255	22%
315 - Natural Resources	2 050 267 267	2 025 467 098	99%
316 - Labour and Employment	14 550 480	2 771 082	19%
317 - Judiciary	3 119 651	2 514 414	81%
318 - Independent Electoral Commission	962 000	898 625	93%
319 - His Majesty's Office	-	3 942	0%
320 - Public Service Commission	-	18 973	0%
323 - Pensions and Gratuities	-	33 985	0%
324 - Statutory Salaries and Allowances	-	1 335	0%
335 - National Security Services	-	37 946	0%
337 - Defence	-	375 047	0%
338 - National Assembly	-	13 485	0%
339 - Senate	-	16 882	0%
341 - Energy	482 770 868	184 634 790	38%
342 - Tourism, Sports, Arts and Culture	4 272 263	1 625 338	38%
343 - Public Service	7 447 076	3 641 710	49%
<b>Grand Total</b>	<b>24 139 977 901</b>	<b>11 989 783 806</b>	<b>50%</b>



**2024/25 SECOND QUARTER RECURRENT EXPENDITURE BY HEAD AND SUB-HEAD**

Head/Sub- Head	Approved Budget	Revised Budget	Warrant Allocations	Actual Expenditure	Expenditure as % of Revised Budget
<b>301 - Agriculture, Food Security and Nutrition</b>	<b>547 160 879</b>	<b>553 856 031</b>	<b>381 673 211</b>	<b>160 400 330</b>	29%
41 - Compensation of Employees	194 282 959	197 654 485	92 181 982	90 996 735	46%
42 - Travel and Transport	44 948 886	45 257 358	27 507 001	15 690 202	35%
43 - Operating Costs	296 994 034	299 859 388	250 914 428	53 563 593	18%
48 - Other Expense	-	-	-	-	0%
53 - Acquisition of Non Financial Assets	10 935 000	11 084 800	11 069 800	149 800	1%
<b>302 - Health</b>	<b>2 227 761 869</b>	<b>2 248 008 619</b>	<b>1 225 752 914</b>	<b>1 098 467 491</b>	49%
41 - Compensation of Employees	539 651 894	545 037 923	268 229 470	265 936 687	49%
42 - Travel and Transport	55 266 227	54 566 227	30 542 871	16 016 769	29%
43 - Operating Costs	1 028 434 477	1 028 434 477	580 224 154	472 474 628	46%
47 - Transfers	582 652 368	598 213 089	343 224 153	343 078 960	57%
48 - Other Expense	400 000	400 000	-	-	0%
53 - Acquisition of Non Financial Assets	21 356 902	21 356 902	3 532 267	960 447	4%
<b>303 - Education and Training</b>	<b>2 720 872 150</b>	<b>2 785 366 998</b>	<b>1 461 124 676</b>	<b>1 414 080 592</b>	51%
41 - Compensation of Employees	2 262 024 116	2 326 518 964	1 205 424 229	1 190 663 160	51%
42 - Travel and Transport	17 567 205	17 555 205	11 104 808	6 408 042	37%
43 - Operating Costs	29 510 091	29 522 091	12 147 917	3 959 028	13%
47 - Transfers	409 903 284	409 903 284	230 581 209	212 825 545	52%
53 - Acquisition of Non Financial Assets	1 867 454	1 867 454	1 866 512	224 817	12%
<b>304 - Finance and Development Planning</b>	<b>2 844 802 074</b>	<b>3 290 907 592</b>	<b>1 743 368 827</b>	<b>1 237 423 342</b>	38%
41 - Compensation of Employees	216 557 967	216 787 467	108 369 887	99 280 539	46%
42 - Travel and Transport	73 717 026	72 231 570	37 955 385	25 953 220	36%
43 - Operating Costs	123 318 709	120 221 927	57 808 668	26 706 500	22%
47 - Transfers	661 134 138	707 239 656	85 709 222	77 270 491	11%
48 - Other Expense	1 340 000 000	1 340 000 000	666 861 382	666 533 410	50%
49 - Losses	75 000 000	75 000 000	29 750 000	25 069 799	33%
51 - Acquisition of Financial Assets	102 298 185	102 298 185	102 298 185	102 298 185	100%
53 - Acquisition of Non Financial Assets	2 776 050	7 128 788	6 393 161	1 273 926	18%
61 - Repayment of Domestic Liabilities	250 000 000	650 000 000	648 222 937	213 037 272	33%
<b>305 - Trade, Industry and Business Development</b>	<b>109 213 716</b>	<b>109 213 716</b>	<b>59 293 669</b>	<b>52 194 435</b>	48%
41 - Compensation of Employees	54 563 245	54 563 245	26 660 532	26 276 140	48%
42 - Travel and Transport	7 706 390	7 706 390	5 697 023	4 750 740	62%
43 - Operating Costs	22 957 845	22 957 845	14 032 748	8 264 187	36%
47 - Transfers	23 986 236	23 986 236	12 903 367	12 903 367	54%
48 - Other Expense	-	-	-	-	0%
<b>306 - Gender, Youth and Social Development</b>	<b>1 381 521 478</b>	<b>1 383 968 318</b>	<b>714 258 679</b>	<b>686 526 919</b>	50%
41 - Compensation of Employees	77 186 792	79 633 632	41 162 207	39 306 868	49%
42 - Travel and Transport	24 659 579	26 802 493	16 425 872	10 871 605	41%
43 - Operating Costs	48 190 575	45 897 661	28 384 022	19 898 736	43%
47 - Transfers	1 216 779 829	1 216 779 829	622 774 042	615 481 205	51%
48 - Other Expense	11 186 500	11 186 500	2 616 050	775 050	7%
53 - Acquisition of Non Financial Assets	3 518 203	3 668 203	2 896 485	193 456	5%
<b>307 - Law and Justice</b>	<b>351 878 669</b>	<b>351 878 669</b>	<b>190 778 802</b>	<b>168 491 719</b>	48%
41 - Compensation of Employees	265 018 410	265 018 410	132 494 733	132 407 635	50%
42 - Travel and Transport	13 614 819	13 614 819	8 857 232	7 136 617	52%
43 - Operating Costs	56 223 897	56 684 897	38 779 741	19 151 052	34%
47 - Transfers	10 000 000	10 000 000	5 381 901	5 283 912	53%
48 - Other Expense	5 485 520	5 485 520	4 774 460	4 196 320	76%
53 - Acquisition of Non Financial Assets	1 536 024	1 075 024	490 734	316 183	29%

<b>308 - Local Government, Chieftainship, Home Affairs &amp; Poli</b>	<b>1 783 657 233</b>	<b>1 798 001 351</b>	<b>958 045 921</b>	<b>760 821 012</b>	42%
41 - Compensation of Employees	1 522 511 522	1 522 511 522	765 641 227	675 656 919	44%
42 - Travel and Transport	54 141 223	61 363 579	42 112 229	25 985 844	42%
43 - Operating Costs	159 132 349	166 132 079	111 352 488	49 077 909	30%
47 - Transfers	16 620 455	16 620 455	8 310 228	8 310 228	50%
48 - Other Expense	766 001	766 001	270 760	270 760	35%
53 - Acquisition of Non Financial Assets	30 485 683	30 607 715	30 358 990	1 519 351	5%
<b>309 - Prime Minister's Office</b>	<b>117 050 962</b>	<b>174 392 722</b>	<b>132 166 012</b>	<b>106 232 788</b>	61%
41 - Compensation of Employees	64 923 991	64 923 991	36 113 848	35 550 325	55%
42 - Travel and Transport	26 381 193	27 688 717	25 054 874	17 296 940	62%
43 - Operating Costs	12 030 153	12 030 153	7 163 955	5 361 948	45%
47 - Transfers	12 599 357	65 384 697	59 867 661	44 612 902	68%
48 - Other Expense	561 268	561 268	161 779	-	0%
53 - Acquisition of Non Financial Assets	555 000	3 803 896	3 803 896	3 410 674	90%
<b>310 - Information, Communications, Technology &amp; Innovation</b>	<b>239 227 362</b>	<b>239 227 362</b>	<b>139 940 455</b>	<b>93 992 213</b>	39%
41 - Compensation of Employees	89 561 311	89 561 311	43 544 206	42 463 376	47%
42 - Travel and Transport	16 775 356	18 529 541	13 992 782	9 468 934	51%
43 - Operating Costs	131 688 893	125 223 296	82 336 717	41 993 153	34%
53 - Acquisition of Non Financial Assets	1 201 802	5 913 214	66 750	66 750	1%
<b>311 - Directorate on Corruption and Economic Offences</b>	<b>60 489 836</b>	<b>60 489 836</b>	<b>35 999 633</b>	<b>32 999 760</b>	55%
41 - Compensation of Employees	17 610 192	17 610 192	14 892 872	14 888 767	85%
42 - Travel and Transport	12 569 433	13 729 982	8 056 387	6 138 530	45%
43 - Operating Costs	27 902 951	22 986 780	8 833 241	7 891 144	34%
53 - Acquisition of Non Financial Assets	2 407 260	6 162 882	4 217 132	4 081 319	66%
<b>312 - Foreign Affairs and International Relations</b>	<b>443 325 208</b>	<b>460 812 652</b>	<b>255 424 960</b>	<b>64 040 415</b>	14%
41 - Compensation of Employees	341 342 958	339 710 875	183 433 634	41 666 204	12%
42 - Travel and Transport	12 168 204	25 569 564	21 446 519	11 061 560	43%
43 - Operating Costs	85 871 850	83 973 131	40 121 768	11 214 579	13%
48 - Other Expense	3 622 196	3 622 196	2 686 157	98 072	3%
53 - Acquisition of Non Financial Assets	320 000	7 936 886	7 736 882	-	0%
<b>313 - Public Works and Transport</b>	<b>217 541 335</b>	<b>217 541 335</b>	<b>108 138 254</b>	<b>100 197 544</b>	46%
41 - Compensation of Employees	98 496 923	98 496 923	47 882 825	46 936 969	48%
42 - Travel and Transport	6 972 119	7 076 164	4 044 177	2 905 159	41%
43 - Operating Costs	36 191 746	36 087 701	18 036 294	12 555 817	35%
47 - Transfers	75 011 072	75 011 072	37 505 536	37 505 536	50%
53 - Acquisition of Non Financial Assets	869 475	869 475	669 422	294 063	34%
<b>314 - Environment and Forestry</b>	<b>139 306 509</b>	<b>139 306 509</b>	<b>76 337 630</b>	<b>54 936 188</b>	39%
41 - Compensation of Employees	87 829 544	87 829 544	40 976 770	40 424 612	46%
42 - Travel and Transport	14 009 870	14 133 639	8 497 807	5 245 792	37%
43 - Operating Costs	32 287 550	32 163 781	21 704 509	8 594 602	27%
47 - Transfers	3 626 340	3 626 340	3 605 340	-	0%
48 - Other Expense	400 224	400 224	400 224	397 510	99%
53 - Acquisition of Non Financial Assets	1 152 980	1 152 980	1 152 980	273 672	24%
<b>315 - Natural Resources</b>	<b>300 155 400</b>	<b>616 888 983</b>	<b>243 308 143</b>	<b>223 739 906</b>	36%
41 - Compensation of Employees	55 308 838	60 307 494	31 595 784	27 602 033	46%
42 - Travel and Transport	17 078 643	16 802 599	9 195 680	4 366 304	26%
43 - Operating Costs	20 641 490	20 499 969	14 135 503	5 684 544	28%
47 - Transfers	204 703 138	516 855 630	186 007 885	186 007 884	36%
48 - Other Expense	130 000	130 000	80 000	79 142	61%
53 - Acquisition of Non Financial Assets	2 293 291	2 293 291	2 293 290	-	0%
<b>316 - Labour and Employment</b>	<b>72 110 466</b>	<b>72 110 466</b>	<b>36 274 826</b>	<b>31 775 529</b>	44%
41 - Compensation of Employees	36 832 644	36 832 644	15 802 048	14 918 406	41%
42 - Travel and Transport	7 228 187	7 377 132	4 974 704	4 317 342	59%
43 - Operating Costs	10 584 383	10 435 438	6 418 742	4 014 159	38%
47 - Transfers	16 717 252	16 717 252	8 358 626	8 358 626	50%
53 - Acquisition of Non Financial Assets	748 000	748 000	720 706	166 995	22%

<b>317 - Judiciary</b>	<b>129 915 479</b>	<b>133 759 521</b>	<b>70 403 835</b>	<b>62 918 626</b>	47%
41 - Compensation of Employees	103 963 530	105 890 204	53 102 060	51 843 826	49%
42 - Travel and Transport	11 529 614	11 956 655	7 274 438	5 341 154	45%
43 - Operating Costs	14 016 145	14 047 404	8 166 171	5 445 593	39%
48 - Other Expense	-	-	-	-	0%
53 - Acquisition of Non Financial Assets	406 189	1 865 257	1 861 166	288 054	15%
<b>318 - Independent Electoral Commission</b>	<b>206 728 144</b>	<b>206 728 144</b>	<b>153 001 393</b>	<b>128 139 206</b>	62%
41 - Compensation of Employees	24 965 028	25 367 740	13 115 652	13 112 686	52%
42 - Travel and Transport	8 951 946	8 951 946	4 475 972	1 623 517	18%
43 - Operating Costs	37 282 824	36 880 112	20 471 309	5 944 814	16%
44 - Other Use of Goods and Services	333 000	333 000	166 500	-	0%
47 - Transfers	124 660 616	124 660 616	106 039 960	106 039 960	85%
53 - Acquisition of Non Financial Assets	10 534 730	10 534 730	8 732 000	1 418 229	13%
<b>319 - His Majesty's Office</b>	<b>15 353 424</b>	<b>15 353 424</b>	<b>7 651 625</b>	<b>6 884 247</b>	45%
41 - Compensation of Employees	9 046 086	9 046 086	4 506 365	4 499 474	50%
42 - Travel and Transport	4 232 318	4 232 318	2 445 390	1 969 467	47%
43 - Operating Costs	1 915 020	1 915 020	696 870	413 076	22%
53 - Acquisition of Non Financial Assets	160 000	160 000	3 000	2 230	1%
<b>320 - Public Service Commission</b>	<b>15 908 659</b>	<b>15 908 659</b>	<b>9 565 808</b>	<b>8 408 215</b>	53%
41 - Compensation of Employees	6 469 307	6 469 307	3 257 943	3 087 833	48%
42 - Travel and Transport	1 616 708	1 616 708	935 275	353 947	22%
43 - Operating Costs	5 122 644	5 122 644	2 816 413	2 410 258	47%
53 - Acquisition of Non Financial Assets	2 700 000	2 700 000	2 556 177	2 556 177	95%
<b>321 - Public Debt</b>	<b>3 134 007 429</b>	<b>3 134 007 429</b>	<b>1 558 242 364</b>	<b>1 357 994 375</b>	43%
46 - Interest	1 006 784 895	1 006 784 895	422 232 111	312 415 747	31%
61 - Repayment of Domestic Liabilities	1 213 541 800	1 213 541 800	561 128 500	561 128 500	46%
62 - Repayments of Foreign Liabilities	913 680 735	913 680 735	574 881 753	484 450 128	53%
<b>323 - Pensions and Gratuities</b>	<b>1 649 601 476</b>	<b>1 649 601 476</b>	<b>838 742 259</b>	<b>784 141 826</b>	48%
41 - Compensation of Employees	1 647 120 848	1 647 120 848	838 122 102	784 058 702	48%
47 - Transfers	2 480 628	2 480 628	620 157	83 123	3%
<b>324 - Statutory Salaries and Allowances</b>	<b>42 294 711</b>	<b>48 385 694</b>	<b>29 968 735</b>	<b>16 541 605</b>	34%
41 - Compensation of Employees	19 059 740	19 059 740	9 432 058	9 091 186	48%
42 - Travel and Transport	16 494 971	16 494 971	11 982 797	6 527 952	40%
43 - Operating Costs	6 140 000	5 990 000	1 712 897	922 467	15%
53 - Acquisition of Non Financial Assets	600 000	6 840 983	6 840 983	-	0%
<b>325 - Subscriptions to International Organisations</b>	<b>305 383 272</b>	<b>305 383 272</b>	<b>289 133 272</b>	<b>185 723 332</b>	61%
43 - Operating Costs	98 950 000	67 950 000	54 700 000	41 143 465	61%
47 - Transfers	143 433 272	153 433 272	153 433 272	132 561 531	86%
51 - Acquisition of Financial Assets	60 000 000	81 000 000	81 000 000	12 018 336	15%
52 - Acquisition of Monetary Gold and Special Drawing Rights	3 000 000	3 000 000	-	-	0%
<b>326 - Refunds to Erroneous Receipts</b>	<b>2 268 000</b>	<b>2 268 000</b>	<b>1 440 298</b>	<b>1 387 898</b>	61%
48 - Other Expense	2 268 000	2 268 000	1 440 298	1 387 898	61%
<b>330 - Centralised Items</b>	<b>796 790 064</b>	<b>527 222 378</b>	-	-	0%
41 - Compensation of Employees	139 190 064	131 355 198	-	-	0%
43 - Operating Costs	20 000 000	20 000 000	-	-	0%
47 - Transfers	628 000 000	372 962 332	-	-	0%
53 - Acquisition of Non Financial Assets	9 600 000	2 904 848	-	-	0%
<b>331 - Contingencies Fund</b>	<b>300 000 000</b>	<b>168 582 445</b>	-	-	0%
59 - Contingencies Fund	300 000 000	168 582 445	-	-	0%
<b>335 - National Security Services</b>	<b>127 889 021</b>	<b>127 889 021</b>	<b>76 829 715</b>	<b>53 329 873</b>	42%
41 - Compensation of Employees	81 736 441	81 736 441	40 940 148	39 874 646	49%
42 - Travel and Transport	13 868 011	13 868 011	8 517 967	7 820 237	56%
43 - Operating Costs	10 602 458	10 602 458	5 859 593	4 720 114	45%
48 - Other Expense	-	-	-	-	0%
53 - Acquisition of Non Financial Assets	21 682 111	21 682 111	21 512 007	914 877	4%

<b>336 - Disaster Management Authority</b>	<b>31 613 966</b>	<b>82 413 966</b>	<b>70 373 562</b>	<b>69 319 506</b>	<b>84%</b>
41 - Compensation of Employees	10 306 697	10 306 697	5 627 320	5 627 319	55%
42 - Travel and Transport	6 779 678	4 547 023	1 117 217	541 965	12%
43 - Operating Costs	3 549 541	3 580 699	1 879 177	1 801 974	50%
47 - Transfers	10 542 050	61 342 050	61 313 848	61 313 848	100%
53 - Acquisition of Non Financial Assets	436 000	2 637 497	436 000	34 400	1%
<b>337 - Defence</b>	<b>679 503 614</b>	<b>771 112 839</b>	<b>462 959 369</b>	<b>439 165 093</b>	<b>57%</b>
41 - Compensation of Employees	519 500 313	519 500 313	257 244 463	256 922 875	49%
42 - Travel and Transport	30 084 121	44 161 546	31 842 154	21 265 299	48%
43 - Operating Costs	48 793 019	63 943 978	35 167 758	26 423 714	41%
47 - Transfers	-	91 609 225	91 609 225	91 609 225	100%
48 - Other Expense	81 126 160	46 985 526	42 515 520	42 515 520	90%
53 - Acquisition of Non Financial Assets	-	4 912 250	4 580 250	428 460	9%
<b>338 - National Assembly</b>	<b>103 776 792</b>	<b>104 429 155</b>	<b>54 648 638</b>	<b>49 626 168</b>	<b>48%</b>
41 - Compensation of Employees	93 664 441	93 664 441	48 440 816	45 608 378	49%
42 - Travel and Transport	6 072 577	6 132 577	2 934 874	1 998 399	33%
43 - Operating Costs	3 239 774	3 832 137	2 473 527	2 019 391	53%
53 - Acquisition of Non Financial Assets	800 000	800 000	799 421	-	0%
<b>339 - Senate</b>	<b>26 509 492</b>	<b>26 509 492</b>	<b>13 734 575</b>	<b>13 024 906</b>	<b>49%</b>
41 - Compensation of Employees	20 555 465	20 555 465	10 063 841	10 051 807	49%
42 - Travel and Transport	3 711 288	3 586 302	2 208 984	1 538 270	43%
43 - Operating Costs	2 242 740	2 367 726	1 461 750	1 434 830	61%
<b>340 - Ombudsman</b>	<b>11 775 844</b>	<b>11 892 121</b>	<b>6 622 102</b>	<b>4 892 693</b>	<b>41%</b>
41 - Compensation of Employees	5 008 593	5 124 870	2 767 699	2 763 707	54%
42 - Travel and Transport	1 578 651	1 578 651	927 520	746 473	47%
43 - Operating Costs	4 346 600	4 346 600	2 126 883	1 382 514	32%
53 - Acquisition of Non Financial Assets	842 000	842 000	800 000	-	0%
<b>341 - Energy</b>	<b>24 596 835</b>	<b>24 596 835</b>	<b>13 167 178</b>	<b>11 992 869</b>	<b>49%</b>
41 - Compensation of Employees	13 621 802	13 621 802	6 871 644	6 812 184	50%
42 - Travel and Transport	3 555 414	3 555 414	2 374 133	1 965 275	55%
43 - Operating Costs	6 077 303	6 077 303	3 179 236	2 817 765	46%
53 - Acquisition of Non Financial Assets	1 342 315	1 342 315	742 165	397 644	30%
<b>342 - Tourism, Sports, Arts and Culture</b>	<b>91 278 017</b>	<b>105 406 847</b>	<b>66 700 277</b>	<b>60 219 313</b>	<b>57%</b>
41 - Compensation of Employees	29 679 966	29 679 966	15 164 944	14 962 975	50%
42 - Travel and Transport	5 736 162	6 019 714	3 636 604	2 255 472	37%
43 - Operating Costs	19 939 308	19 655 756	12 516 212	9 118 349	46%
47 - Transfers	35 236 581	49 365 411	34 698 875	33 198 875	67%
48 - Other Expense	686 000	686 000	683 642	683 642	100%
<b>343 - Public Service</b>	<b>72 993 722</b>	<b>72 993 722</b>	<b>39 311 885</b>	<b>27 194 901</b>	<b>37%</b>
41 - Compensation of Employees	31 226 847	31 226 847	16 426 130	16 146 151	52%
42 - Travel and Transport	5 788 282	5 788 282	3 136 331	2 005 505	35%
43 - Operating Costs	33 823 093	33 823 093	17 593 924	8 201 939	24%
53 - Acquisition of Non Financial Assets	2 155 500	2 155 500	2 155 500	841 306	39%
<b>Grand Total</b>	<b>21 324 263 107</b>	<b>22 036 415 599</b>	<b>11 524 383 502</b>	<b>9 567 224 835</b>	<b>43%</b>

2024/25 SECOND QUARTER CAPITAL EXPENDITURE BY HEAD/ PROJECT					
Head/ Project	Approved Budget	Revised Budget	Warrant Allocations	Actual Expenditure	Expenditure as % of Revised Budget
<b>301 - Agriculture, Food Security and Nutrition</b>	<b>20 799 358</b>	<b>20 799 358</b>	<b>13 048 230</b>	<b>12 710 323</b>	61%
0005 - Irrigated Crop Production	2 000 000	2 000 000	219 613	195 542	10%
2105 - Smallholder Agriculture Development Project 2	14 080 923	14 080 923	11 164 297	11 164 297	79%
2106 - Agricultural Productivity Programme for Southern Africa (APPSA)	4 495 051	4 495 051	1 664 320	1 350 484	30%
2502 - Wool and Mohair Value Chain Competitiveness Project (WomCop)	223 384	223 384	-	-	0%
<b>302 - Health</b>	<b>234 132 791</b>	<b>234 132 791</b>	<b>11 489 939</b>	<b>11 489 939</b>	5%
0012 - Support to TB control Programme	4 141 224	4 141 224	619 871	619 871	15%
0332 - Support to Immunisation	15 137 207	15 137 207	2 762 508	2 762 508	18%
0497 - Construction of Maseru District Hospital	26 121 600	26 121 600	5 931 872	5 931 872	23%
0498 - Construction of Cancer Treatment Centre	182 816 988	182 816 988	-	-	0%
9042 - M-Mama Lesotho -An Emergency Transportation System	5 915 773	5 915 773	2 175 688	2 175 688	37%
<b>303 - Education and Training</b>	<b>10 199 999</b>	<b>10 199 999</b>	<b>74 528</b>	-	0%
0016 - Free Primary Education (classrooms)	6 795 986	6 795 986	39 528	-	0%
0018 - Construction of Secondary Schools	3 204 013	3 204 013	-	-	0%
2103 - IMPROVEMENT OF SECONDARY SCHOOLS (counterpart)	200 000	200 000	35 000	-	0%
<b>304 - Finance and Development Planning</b>	<b>107 000 000</b>	<b>107 000 000</b>	<b>30 818 358</b>	<b>30 779 057</b>	29%
0035 - Border Post Infrastructure Refurbishment	8 093 000	8 093 000	-	-	0%
0036 - Support for HIV/AIDS	15 000 000	15 000 000	10 019 770	10 019 768	67%
0528 - Tax Modernisation Programme	8 000 000	8 000 000	-	-	0%
0560 - Consultancies and Studies	65 000 000	65 000 000	17 649 812	17 610 514	27%
2407 - Institutional Support Project for Debt and Expenditure Management (ISPDEM)	3 007 000	3 007 000	-	-	0%
2501 - Lesotho Public Sector Foundations for Service	1 900 000	1 900 000	-	-	0%
2506 - Millenium Challenge Compact	6 000 000	6 000 000	3 148 776	3 148 775	52%
<b>305 - Trade, Industry and Business Development</b>	<b>389 000 000</b>	<b>389 000 000</b>	<b>183 545 781</b>	<b>182 957 933</b>	47%
0434 - Capacity Building to SMME's	2 500 000	2 500 000	989 957	527 706	21%
0452 - Standard & Quality Infrastructure	85 663 360	85 663 360	2 228 949	2 228 949	3%
0507 - Tikoe Industrial Infrastructure phase 3	150 000 000	150 000 000	105 742 614	105 742 613	70%
0521 - Belo Industrial Infrastructure	140 000 000	140 000 000	74 437 046	74 437 045	53%
0535 - Refurbishment of Lesotho Cooperative College	3 000 000	3 000 000	-	-	0%
2016 - Refurbishment of BEDCO Estates	5 000 000	5 000 000	-	-	0%
2202 - New and Cashless Services for One Stop Business Facilitation Centre (OBFC)	2 836 640	2 836 640	147 215	21 620	1%
<b>307 - Law and Justice</b>	<b>15 000 000</b>	<b>15 000 000</b>	<b>2 142 492</b>	<b>281 092</b>	2%
0503 - Refurbishment of Correctional Institutions	10 500 000	10 500 000	147 671	147 671	1%
2503 - Lesotho Correctional Service Self-Sufficiency Project	4 500 000	4 500 000	1 994 821	133 421	3%
<b>308 - Local Government, Chieftainship, Home Affairs &amp; Poli</b>	<b>381 300 000</b>	<b>381 300 000</b>	<b>148 425 331</b>	<b>60 380 245</b>	16%
0104 - Development Fund For Councils	26 000 001	26 000 001	23 226 214	1 073 559	4%
0107 - Urban Roads Upgrading	150 000 000	150 000 000	5 930 219	5 860 012	4%
0109 - Development of Rural Community Roads	100 000 000	100 000 000	89 999 998	31 733 849	32%
0111 - Local Government Infrastructure	4 800 000	4 800 000	-	-	0%
0113 - Principal Chiefs Offices	5 000 000	5 000 000	3 735 159	3 686 440	74%
0114 - Solid Waste Management (MCC)	5 000 000	5 000 000	1 851 099	1 851 099	37%
0391 - Solid Waste Management for Urban Councils	10 500 000	10 500 000	9 439 639	2 092 513	20%
0394 - Renovation/Construction of Police Stations	20 000 000	20 000 000	1 958 737	1 958 737	10%
2406 - Districts Bus Terminals	60 000 000	60 000 000	12 284 266	12 124 037	20%
<b>310 - Information, Communications, Technology &amp; Innovation</b>	<b>57 999 999</b>	<b>57 999 999</b>	<b>4 580 668</b>	<b>2 666 633</b>	5%
0348 - Transforming Broadcasting Mode	29 803 700	29 803 700	673 697	133 888	0%
0480 - E-Government	17 000 000	17 000 000	3 906 971	2 532 744	15%
0490 - Broadcasting Building	11 196 299	11 196 299	-	-	0%
<b>312 - Foreign Affairs and International Relations</b>	<b>36 000 000</b>	<b>36 000 000</b>	-	-	0%

0554 - Indent House	36 000 000	36 000 000	-	-	0%
<b>313 - Public Works and Transport</b>	<b>930 500 000</b>	<b>930 500 000</b>	<b>533 581 630</b>	<b>529 834 942</b>	<b>57%</b>
0399 - Pavement Strengthening-Paved Roads	189 396 000	189 396 000	76 944 155	76 944 155	41%
0400 - Pavement Strengthening-Unpaved Roads	223 803 993	223 803 993	116 634 302	116 634 302	52%
0432 - Cross Border Bus Stop	3 000 000	3 000 000	-	-	0%
0517 - Transport Infrastructure Connectivity Project	4 000 000	4 000 000	3 995 628	2 365 242	59%
0555 - Mpitli-Sehlabathebe Road	112 000 000	112 000 000	91 589 693	91 589 693	82%
0556 - Marakabei MonontÅja Raod	292 300 005	292 300 005	229 348 797	229 348 797	78%
0557 - Thaba-Tseka-Katse Road	22 000 000	22 000 000	-	-	0%
2101 - Moshoeshoe I Rehabilitation (Runway Rehabilitation)	50 000 002	50 000 002	6 056 321	4 136 918	8%
9057 - Construction of Office Park And Residence Maintenance	34 000 000	34 000 000	9 012 734	8 815 834	26%
<b>314 - Environment and Forestry</b>	<b>2 400 000</b>	<b>2 400 000</b>	<b>1 208 948</b>	<b>1 037 089</b>	<b>43%</b>
0513 - Improvement of Early Warning System II	200 000	200 000	103 735	-	0%
0514 - Hydro-Chlorofluoro Carbons Phase out Management	200 000	200 000	199 882	131 758	66%
2304 - Regeneration of Landscapes and Livelihoods (ROLL)	2 000 000	2 000 000	905 331	905 331	45%
<b>315 - Natural Resources</b>	<b>188 000 000</b>	<b>188 000 000</b>	<b>124 424 079</b>	<b>124 424 071</b>	<b>66%</b>
0080 - Village Water Supply	7 000 000	7 000 000	821 339	821 339	12%
0139 - Rural Water Supply and Sanitation	70 000 000	70 000 000	67 380 075	67 380 067	96%
0510 - Lesotho Lowlands Water Supply & Sanitation	13 000 209	13 000 209	2 456 404	2 456 404	19%
0550 - Lesotho Low Lands Water Supply Scheme	26 065 803	26 065 803	8 392 065	8 392 065	32%
0551 - Greater Maseru Water Supply	20 000 000	20 000 000	20 000 000	20 000 000	100%
0552 - Integrated Catchment Management (ICM)	23 935 089	23 935 089	14 308 467	14 308 467	60%
2201 - LESOTHO LOWLANDS WATER DEVELOPMENT PROJECT PHASE III	27 998 899	27 998 899	11 065 729	11 065 729	40%
<b>319 - His Majesty's Office</b>	<b>20 000 000</b>	<b>20 000 000</b>	<b>2 015 793</b>	<b>2 015 793</b>	<b>10%</b>
0095 - Construction of Royal Palace	20 000 000	20 000 000	2 015 793	2 015 793	10%
<b>335 - National Security Services</b>	<b>20 000 000</b>	<b>20 000 000</b>	<b>600 699</b>	<b>600 699</b>	<b>3%</b>
9060 - NSS Headquarters	20 000 000	20 000 000	600 699	600 699	3%
<b>339 - Senate</b>	<b>140 000 000</b>	<b>140 000 000</b>	<b>52 985 606</b>	<b>46 457 308</b>	<b>33%</b>
0357 - Senate Office	140 000 000	140 000 000	52 985 606	46 457 308	33%
<b>341 - Energy</b>	<b>332 000 000</b>	<b>332 000 000</b>	<b>156 937 695</b>	<b>151 778 174</b>	<b>46%</b>
0136 - Rural Electrification	246 071 168	246 071 168	126 758 897	124 920 528	51%
2108 - Scaling Up Renewable Energy and Energy Efficiency Programme(SREP): (Lesotho Renewable Energy and Energy Access Project LREEAP)	9 600 000	9 600 000	4 472 860	3 757 990	39%
2109 - Ramarothole 70MW Solar Generation Project	50 000 000	50 000 000	25 705 938	23 099 657	46%
2504 - Rehabilitation and Upgrading of Katse 1.1MW Hydropower Plant	26 328 832	26 328 832	-	-	0%
<b>342 - Tourism, Sports, Arts and Culture</b>	<b>50 000 000</b>	<b>50 000 000</b>	<b>-</b>	<b>-</b>	<b>0%</b>
0446 - National Museum & Art Gallery	50 000 000	50 000 000	-	-	0%
<b>Grand Total</b>	<b>2 934 332 146</b>	<b>2 934 332 146</b>	<b>1 265 879 777</b>	<b>1 157 413 296</b>	<b>39%</b>