2027/28 PRE-BUDGET CONSULTATIONS REPORT

District Consultations

20 AUGUST 2026

MINISTRY OF FINANCE AND DEVELOPMENT PLANNING
Budget Department

Contents

1. Overview and Timeline

1.1.1. The pre-budget consultation meetings for the 2027/28 fiscal year were successfully conducted across all ten (10) districts of the country. The consultation process took place between 26th May and 22nd June 2026. Although the schedule experienced minor delays due to competing government priorities and overlapping national engagements, all planned sessions were completed, ensuring comprehensive geographic and demographic representation.

2. Purpose and Objectives

2.1.1. The primary objective of the pre-budget consultations was to strengthen participatory and transparent budgeting by directly engaging a broad spectrum of stakeholders in the national fiscal planning process. With technical and financial support from UNICEF's Power Hub Initiative, this cycle witnessed a notable increase in youth participation, reflecting a deliberate effort to enhance inclusivity. The consultations were structured around three core objectives:

2.1.1.1. Accountability

A key function of the meetings was to promote accountability by presenting a comprehensive review of the financial performance of the 2025/26 fiscal year. This accountability mechanism serves as a cornerstone for building and maintaining public trust through transparent reporting on the utilisation of public funds. During the sessions, officials provided a formal assessment of the previous budget cycle, enabling citizens to evaluate the alignment between budgeted allocations and actual financial and physical outcomes. Key areas discussed included:

2.1.1.1.1. **Revenue Outturns:** A detailed analysis of actual revenue collections compared to approved targets, covering tax and non-tax revenues, Southern African Customs Union (SACU) receipts, and international development grants.

2.1.1.1.2. **Expenditure versus Allocation:** A comparative review of approved capital budgets against actual expenditures, with particular attention to infrastructure development projects.

2.1.1.2. **Transparency:** The consultations emphasised transparency by providing clear and accessible information on the current 2026/27 budget allocations. Transparent dissemination of financial data is critical to preventing mismanagement and fostering informed public discourse. The presentation of the 2026/27 budget was simplified to ensure accessibility for non-specialist audiences, enabling both public institutions and citizens to track the flow of national resources. Key components of this phase included:

2.1.1.2.1. **Sectoral Dissemination:** A breakdown of financial allocations across priority sectors, including economic growth and job creation, human development, infrastructure, governance, and cross-cutting issues such as national early warning and climate resilience strategies.

2.1.1.2.2. **Strategic Shift Explanations:** Rationale for changes in funding levels to specific ministries or programmes, based on evolving national policies, performance evaluations, or responses to economic shocks.

2.1.1.3. **Collaboration and Participation:** A central objective of the consultations was to facilitate public input into the formulation of the 2027/28 national budget. This collaborative approach is aimed at transforming budgeting from a top-down administrative exercise into an inclusive, participatory process. Structured dialogue platforms used enabled diverse stakeholders to contribute to the identification of policy priorities within the Medium-Term Expenditure Framework (MTEF). The process also addressed the Immediate Social Relief (ISR) component, which involves the allocation of targeted, short-term subsidies, such as those for petroleum and food, to mitigate the impact of economic volatility on vulnerable populations. Key elements included:

2.1.1.3.1.1. **Grassroots Needs Assessments:** Opportunities for community leaders, town clerks, and youth delegates to present district-specific challenges directly to central and local government planners.

2.1.1.3.1.2. **Policy Prioritisation:** Facilitated discussions on fiscal trade-offs and priority setting, ensuring that national budgetary strategies reflect localised needs and development aspirations.

3. Stakeholder Representation

3.1. To ensure inclusivity and broad-based representation, the consultations engaged a diverse range of stakeholders from both the public and private sectors. Participants included traditional leaders (Chiefs) and local administrative officials, such as District Administrators, District Council Secretaries, and Town Clerks; municipal leadership, notably the Mayors of Maseru City Council and Semonkong Urban Council; representatives from the local business community, including entrepreneurs, private sector associations, and media practitioners; youth organisations and youth delegates; and district-level civil servants and central government planners from the Ministry of Local Government, Chieftainship, Home Affairs, and Police.

3.2. A participatory planning and budgeting process is essential to ensure that a diverse range of perspectives is considered. Insights gathered from consultations across a wide array of stakeholders accurately reflect the public's interests. An illustration of stakeholder representation by category, alongside gender disaggregation, is presented in the respective annexes for each district. The categories comprise Local Authorities (including District Administrators, District Council Secretaries, Chiefs, and Councillors), Youth, Business, Government Officials, Media, and Other, as well as gender classifications of Male and Female.

3.3. These illustrations demonstrate that a broad cross-section of stakeholders was represented, with a notable increase in youth participation relative to previous years, attributable to UNICEF’s support through the Youth Power Hub Initiative. Youth participation remains critical, particularly as the Government continues to invest in youth empowerment through job creation and business development. Berea, Mafeteng, and Qacha’s Nek recorded the highest proportions of youth attendance, standing at 36 per cent, 25 per cent, and 19 per cent, respectively. The enhanced involvement of young people not only enriched the quality of contributions but also reinforced intergenerational equity in the budgeting process.

3.4. 3.4. Furthermore, gender disaggregation reveals a persistent disparity between male and female representation. Males constituted the majority of attendees across most districts, with Berea being the sole exception, underscoring the ongoing underrepresentation of women in decision-making forums. Nevertheless, relative to previous years, this gender gap has narrowed in most districts. Following Berea, which recorded a 56 per cent female turnout, Mokhotlong and Butha-Buthe achieved the next highest levels of female representation, at 48 per cent and 47 per cent, respectively.

4. Welcoming and Opening Remarks.

4.1. Remarks By Budget Controller

4.1.1. The 2027/28 pre-budget consultations occurred at a critical juncture, as the global economy faces heightened volatility stemming from ongoing geopolitical unrest and military conflicts in the Middle East. These external shocks have profoundly impacted Lesotho’s domestic economy, stifling macroeconomic growth, driving up commodity prices, and necessitating substantial structural revisions to the 2026/2027 national budget.

4.1.2. A primary transmission channel for this global instability has been the energy sector. Escalating tensions pushed global Brent Crude benchmarks to historic highs early this year, causing domestic fuel prices to surge significantly. While the introduction of the M2.00 per litre fuel subsidy was vital to insulate consumers and businesses from severe inflationary shocks, it has placed an unsustainable strain on the Government’s overall fiscal position.

4.1.3. Simultaneously, Lesotho has been affected by severe domestic environmental crises. Continuous heavy rainfall and intense storms since the beginning of the year have generated a complex, dual impact on the country:

4.1.3.1. Agricultural Disruption: Although increased soil moisture initially provided a strong baseline for the agricultural sector, subsequent excessive rainfall significantly compromised summer crop yields in several high-production regions.

4.1.3.1.1. **Infrastructure Depletion:** Excessive precipitation and flash floods triggered widespread structural destruction. The resulting road closures, degradation of primary road networks, and washed-away bridges have severely disrupted movement and business activity, halted daily community life, and compromised access to education by preventing children from attending school.

4.1.3.1.2. **Humanitarian Strain:** Torrential downpours directly damaged or destroyed residential dwellings, leading to the internal displacement of numerous vulnerable households. Furthermore, the prolonged damp conditions and widespread flooding exacerbated a regional outbreak of the Foot and Mouth Disease (FMD) in livestock. Initially detected in the districts of Qacha's Nek and Butha-Buthe, the rapid escalation of the disease prompted the Government to declare a national State of Disaster, enforcing strict, localised quarantines to contain the transmission.

4.1.3.1.3. Given the compounding nature of these external macroeconomic pressures and internal structural crises, this year's pre-budget consultations cannot be treated as a routine or perfunctory exercise. Instead, this process must serve as a rigorous, deliberate government strategy designed to capture high-priority public inputs. These localised insights will be instrumental in formulating a resilient, crisis-responsive 2027/2028 National Financial Policy capable of balancing emergency recovery with medium-term fiscal sustainability.

4.2. **Remarks by UNICEF**

4.2.1. The UNICEF's broader perspective is advocacy for the Government to move beyond bureaucracy. From a general governance standpoint, their core philosophy is that national financial frameworks must prioritise social budgeting over pure fiscal stabilisation. Amidst the ongoing global fuel shocks and local disaster emergencies, UNICEF views the 2027/28 pre-budget consultations not as a routine public relations exercise, but as a mandatory mechanism for participatory democracy and equitable resource distribution. They advocated for the expedited enactment of the ***Decentralisation Bill***. Their stance is that without a formal legal framework to route finances directly to local councils, national resources remain heavily skewed toward urban, already-developed areas, leaving rural mountainous communities completely defenseless against climate disasters.

4.2.2. On budget transparency and accountability, rather than just tracking allocations, UNICEF monitors execution efficiency and they openly challenged the Government with systemic barriers, such as persistent delays in project implementation and funding leakages, which often leave budgeted projects unfulfilled. Furthermore, they consistently lobbied the Ministry of Finance and Development Planning (MFDP) to maintain and scale-up funding for critical child-focused sectors like health, nutrition, education, and water, sanitation and hygiene (WASH).

4.2.3. UNICEF iterated that, historically, traditional leaders, village chiefs, and senior councillors dominated pre-budget consultations meetings. However, through a major systemic shift driven by **UNICEF's "Youth Power Hub" Initiative**, a diverse, trained cohort of young leaders from across all ten districts has been formally integrated into the budget preparation pipeline. This calls for youth to actively participate in government initiatives and hold it accountable and demand answers where possible.

4.3. **Remarks by Director Planning-Ministry of Local Government, Chieftainship, Home Affairs, and Police.**

4.3.1. Mrs. Malehano Tšoenene commended the MFDP for its sustained commitment to conducting public consultations. She highlighted these forums as vital platforms for stakeholders to converge and engage directly, particularly with representatives from the Ministry of Local Government. Furthermore, she expressed gratitude to the Department of Budget for consistently integrating community and urban councils into the budget policy formulation process.

4.3.2. Emphasising the strategic importance of the forum, Mrs. Tšoenene urged all those in attendance to actively participate in deliberations that advance the district's development. Looking ahead, she called upon all stakeholders to maintain momentum post-consultation, by immediately initiating preparations and prioritisation frameworks for the 2027/28 fiscal year. Finally, she called on the engineering sector to factor climate change resilience into infrastructure designs, ensuring that newly constructed roads can withstand extreme weather events and resist being washed away during heavy rainfall.

4.4. **Remarks by FNB**

4.4.1. The representative of FNB Lesotho expressed sincere gratitude to the MFDP for its ongoing, high-impact partnership and for consistently providing the banking sector with a platform to participate in these critical national and district consultations.

4.4.2. The representative highlighted that FNB's primary contribution to Lesotho's growth extends beyond traditional banking, positioning the institution as a strategic financial advisory partner. Through this advisory lens, the bank aims to help districts optimise budget allocations, manage capital projects efficiently, and unlock sustainable funding mechanisms.

4.4.3. Furthermore, the representative emphasised that FNB possesses a deep, data-driven understanding of the country's unique developmental challenges and economic priorities. To translate this understanding into tangible outcomes, the bank declared its readiness to deploy the necessary financial instruments and technical expertise. This commitment is intended to support the implementation of priority projects, accelerate infrastructure development, and advance the district's socio-economic goals.

5. Presentations

5.1. **Budget Callender**

5.1.1. The Kingdom of Lesotho operates on a Medium-Term Expenditure Framework (MTEF), which is a three-year rolling budget cycle running from April 1st to March 31st of the following calendar year. This structured budget calendar serves as a strategic roadmap to ensure strict fiscal discipline, improve macroeconomic predictability, and align public expenditure with national development priorities. By establishing clear timelines and operational procedures, the calendar facilitates transparent, bottom-up costing and ensures all government planning complies with statutory requirements.

5.1.2. The process begins with the pre-budget consultation and strategic planning phase from April to July, during which MFDP updates macroeconomic indicators and secures Cabinet approval for the Budget Strategy Paper. This phase establishes the foundation of the budget cycle by conducting initial stakeholder engagements, which gather public input and align broad fiscal policies with national development priorities before individual allocations are determined.

5.1.3. The allocation guidelines and bottom-up costing phase follows from August to December. This phase initiates with the formal issuance of the Budget Call Circular to establish sector expenditure ceilings. MDAs then compile and submit their detailed budget estimates, leading to intensive bilateral budget hearings and the final consolidation of estimates by December. Finally, the cycle moves into the legislative approval phase between January and March, where the Cabinet validates the final unified estimates, the Minister of Finance and Development Planning then deliver the annual Budget Speech to Parliament for scrutiny, and the process concludes with the enactment of the Appropriation Act to legally authorise funds for implementation by the April 1st deadline.

5.2. **Highlights of the 2025/26 – 2026/27 Budget**

5.2.1. The **2026/2027 Lesotho National Budget**, themed "Accelerating Economic Transformation; Building Resilience," initiates a policy shift from basic fiscal stabilisation to private-sector-led growth, backed by strict rules-based debt constraints. To curb reliance on volatile Southern African Customs Union (SACU) revenues, a rigid 60% total debt-to-GDP ceiling has been instituted. Revenue mobilisation strategies prioritise expanding the tax base through digital initiatives like electronic VAT filing rather than placing additional burdens on existing taxpayers. Concurrently, personal income tax thresholds were increased to protect working citizens against inflation-driven bracket creep.

5.2.2. To stimulate sustainable economic growth and job creation, the Government has scaled up capital expenditure to 19.7% of GDP. Major public infrastructure funding includes M2.4 billion for water, M2.1 billion for roads, M1.7 billion for energy, and M386.4 million for ICT expansion to enhance national connectivity. Key productive areas like agriculture and Special Economic Zones are being mobilised to diversify export value chains beyond the textile industry. Crucially, M124 million is dedicated exclusively to tackling the acute youth unemployment crisis.

5.2.3. Human capital development takes centre stage as a massive priority, receiving 39% of the budget planning allocation to cultivate a healthy, capable workforce. This massive commitment features a specific M3.1 billion allocation directed toward improving nationwide healthcare services, alongside robust investments in education, social protection, and skills training. Complementing these human capital investments, governance and public financial frameworks are being modernised via automated treasury systems and tighter commitment controls. Private firms bidding on lucrative public contracts are subject to enhanced compliance rules, including mandatory youth employment quotas.

5.2.4. Addressing cross-cutting issues, the budget integrates climate resilience and structural inclusivity directly into its execution strategy to buffer the economy from external environmental shocks. These environmental efforts run parallel to initiatives aimed at closing the urban-rural divide and fostering economic opportunities for women.

6. Conclusion

6.1. The 2027/28 pre-budget consultations marked a defining shift toward transparent, inclusive, and decentralised financial planning in Lesotho, successfully uniting local authorities, the private sector, and an energized youth cohort mobilised by UNICEF's Youth Power Hub. This collaborative process proved crucial as the country navigated severe concurrent crises, including global fuel shocks triggered by Middle Eastern geopolitical unrest and domestic emergencies brought on by torrential rainfall and a livestock Foot and Mouth Disease outbreak. By transitioning the national budget framework from a traditional administrative exercise into a platform for participatory democracy, the consultations captured vital, localised needs assessments from all ten districts, transforming community voices into strategic policy priorities.

6.2. Moving forward, the success of this fiscal cycle relies on translating the shared insights of the Ministry of Local Government, financial partners like FNB Lesotho, and international advocates into resilient public policy. The path ahead demands immediate, post-consultation momentum to design a 2027/28 budget that balances short-term emergency relief with long-term financial sustainability. Key priorities include enacting the Decentralisation Bill to safeguard rural and mountainous regions against climate risks, scaling up child-focused funding for education and public sanitation, and mandating that the engineering sector integrate climate resilience directly into infrastructure projects to protect communities from future environmental disasters.

ANNEX 1: THABA-TSEKA ACTIVITY REPORT

1. Introductions

1.1. The 2028 pre-budget consultations meeting was held on May 27, 2026, at Mohale-Oa-Masite Lodge. Funded by the Government of Lesotho in partnership with UNICEF, these sessions aimed to improve participatory budgeting by involving citizens, local government representatives, community councillors, traditional chiefs, civil servants from the district, the private sector, youth and civil society organizations. This cycle saw a significant increase in attendance from diverse youth groups. The forums focused on reporting the 2025/26 budget performance, outlining key allocations for the 2026/27 budget, and gathering public input for the 2027/28 fiscal year's strategic policy direction.

1.2. Officials from the Department of Budget facilitated the proceedings, collaborating with representatives from the Accounts and Administration departments. The Director of Planning from the Ministry of Local Government also attended.

2. REMARKS

2.1. **District Administrator (DA)**

2.1.1. In his opening remarks, the representative of the DA’s office welcomed the attendees and thanked them for their dedication and effort in ensuring the success of the meeting. Invoking the Sesotho proverb “khomo ha li kae, batho re bangata” (meaning resources are scarce but our needs are many), he urged the Ministry of Finance to simplify and translate complex financial concepts so that all attendees, including newcomers, could fully grasp the discussions to drive the district's growth. He further requested the Ministry to provide the people of Thaba-Tseka with clear, practical guidance on how to effectively contribute to development initiatives at the grassroots level for the benefit of both the district and the nation. With these remarks, he officially declared the meeting open.

2.2. **Ministry of Finance and Development Planning**

2.2.1. In her remarks, the Budget Controller (BC), Ms Maleshoane Lekomola-Danziger on behalf of the Ministry of Finance and Development Planning shared the meeting’s purpose, stating that it is meant to give an overview of the previous year’s budget performance and the subsequent year’s budget and to gather policy for the medium-term, spanning from the 2027/28 to the 2029/30 financial year. Furthermore, she emphasised the impact of the Middle East war on the economy, which led to the increase in fuel prices, calling for the Government subsidy.

2.2.2. The BC further urged the audience to adhere to warnings regarding foot-and-mouth disease outbreaks and severe weather conditions. She noted that recent floods had washed away several roads, highlighting the urgent need to construct resilient road infrastructure. In her concluding remarks, the BC expressed her appreciation for the presence and support of UNICEF and FNB, whilst urging the audience to participate fully and freely for the betterment of the district. Finally, she explained that the audience would break away into groups to identify five priority needs for the district and suggest strategies for revenue collection enhancement.

2.3. First National Bank (FNB) Lesotho

2.3.1. In his remarks, on behalf of FNB Lesotho, Mr. Motšeare Tšosane stated that the bank is participating in the consultations to learn about the district and its needs. He indicated that through collaboration with the MFDP, the bank had successfully opened four more branches, specifically mentioning the Quthing district, where the public had requested one during the previous pre-budget consultations.

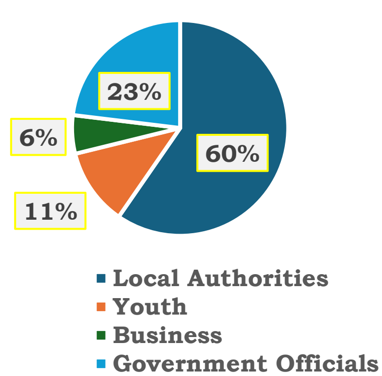
2.4. UNICEF-Lesotho

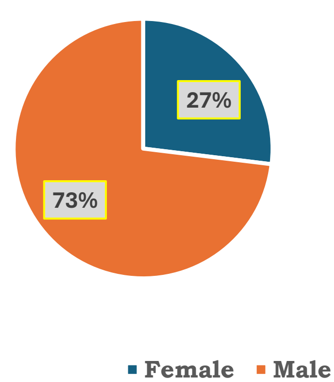
2.4.1. On behalf of UNICEF, Mrs. ’Mabaruti Motsamai indicated that the organisation is already working with the MFDP to ensure that the budget responds to the needs of children. She reiterated UNICEF’s interest in knowing how many youth-led businesses have had access to the Inclusive Growth Fund (IGF) opportunity mentioned in the last budget, and how the M124 million in the current budget is intended to assist young people. She also emphasised the importance of the public knowing what the national budget entails. Finally, she expressed her gratitude for the district’s active youth participation in the Youth Power Hub, which is funded by the European Union (EU).

3. GENERAL DISCUSSIONS/EXPECTATIONS

3.1. There is a delay in the awarding of prizes to winners of funding competitions (BEDCO), therefore negatively affecting business progression.

4. STAKEHOLDER REPRESENTATION ILLUSTRATION





5. GROUP DISCUSSIONS

5.1. GROUP 1

5.1.1. **Wind Power Generation (Mosehla Mountain):** Since hard-to-reach areas within the district lack electricity, it is recommended to establish a wind power generation plant on the Mosehla Mountain to address this energy gap.

5.1.2. **Solar Streetlighting:** Installing solar-powered streetlights in local villages to eliminate electricity costs and illuminate dark areas, significantly improving safety and security for citizens, local businesses, and livestock.

5.1.3. **Street Vendor Regulation and Taxation:** Introduce local taxes and levies for street vendors operating from informal shacks. This will generate crucial revenue for the council while funding initiatives to improve sanitation and cleanliness in trading areas.

5.1.4. **Agricultural Value Addition:** the Government should capitalise on this year's bumper apple harvest and establish local processing facilities to produce apple wine (cider), creating a new, sustainable revenue stream for the district.

5.1.5. **Thaba-Tseka-Sehlabathebe-Sani Road Corridor:** Constructing the Thaba-Tseka-Sehlabathebe-Sani Road will significantly improve regional transport networks, easing the transit of people and goods between Thaba-Tseka and Qacha's Nek. This upgrade will drive local tourism by securing reliable, all-weather access to the Sehlabathebe National Park, whilst creating a seamless travel corridor that connects the southern region directly to Mokhotlong via the iconic Sani Pass.

5.1.6. **Waste Recycling and Revenue Generation:** Launch a commercial waste-to-revenue initiative based on the "collect-a-can" model. This scheme, benchmarked against successful recycling programmes for beverage tins and mobile scratch cards, will generate income while keeping the district clean.

5.1.7. **Potato Value Addition:** As Thaba-Tseka produces a high volume of excellent quality potatoes, establishing local facilities to grade, process, and package them will maximise their market value and boost the local economy.

5.2. GROUP 2

5.2.1. Expenditure

5.2.1.1. **Roads:** construction and upgrading of main roads including the Thaba-Tseka to Qacha’s Nek and Thaba-Tseka to Katse roads and development of essential community network and access roads to link remote villages with main transport corridors, services, and local markets.

5.2.1.2. **Electricity connection in villages:** Expanding the electrical grid to connect remote villages across the Thaba-Tseka district is essential. This initiative will provide reliable power to households, local businesses, and schools, driving community development and improving the overall quality of life.

5.2.1.3. **Foot Bridges:** there is a need to construct footbridges across key rivers and valleys to secure safe, year-round passage. This infrastructure is vital to protect school children, who must otherwise navigate hazardous, flooded crossings during heavy rains to reach their classrooms.

5.2.1.4. **Clean Water Access:** there is a need to provide safe, clean water supply systems to remote communities that currently rely on unprotected and unsafe water sources.

5.2.1.5. **Telecommunications Infrastructure:** Construct telecommunication towers to expand mobile network coverage, ensuring reliable communication for underserved areas.

5.2.1.6. **Land Conservation and Community Assets:** Erect fencing around graveyards and grazing pastures to protect them from degradation, and construct retaining walls to rehabilitate eroded dongas (gullies) and prevent further soil loss.

5.2.2. **Revenue**

5.2.2.1. **Sale of thatching straw:** Establish a structured commercial framework for harvesting and selling high-quality thatching straw (*joang ba mohlomo*). By regulating harvesting zones and selling straw to local builders and neighbouring districts, the council can secure a consistent, sustainable source of internal revenue.

5.2.2.2. **Sale of sand:** Establish a structured, council-managed framework for the extraction and sale of high-quality river sand from the Senqu and Malibamatšo rivers.

5.2.2.3. **Sale of wild rosehip:** Explore long-term investment in local processing facilities to mill dried rosehip shells and extract high-value rosehip seed oil locally, allowing the council and community to capture a larger share of the global cosmetics and health food value chain.

5.2.2.4. **Sale of indigenous plants and medicinal herbs:** Establish a structured commercial framework for the sustainable harvesting and sale of the district's abundant medicinal herbs and indigenous flora (such as *Aloe*, *Artemisia afra* (Lengana), and African Potato.

5.2.2.5. **Legislative Enactment and Enforcement:** The Government should accelerate passing of the Decentralisation Bill to enforce implementation of strong local by-laws to give the councils the formal authority it needs to govern the district and maintain public order.

5.3. **GROUP 3**

5.3.1. **Transition to Mechanised Farming:** Thaba-Tseka's agricultural sector holds immense potential in both crop and livestock production. However, a heavy reliance on traditional cattle-ploughing often delays planting, a vulnerability made worse by climate change. Transitioning to mechanised farming with tractors, combined with the timely distribution of seeds and fertilizers, would accelerate planting cycles and boost local food security. To realize this potential, there is a need for targeted support, including crop shading to mitigate extreme sun damage, established market linkages for produce, and pasture rehabilitation to improve livestock health and maximise wool and mohair production.

5.3.2. **Irrigation and Water Harvesting:** Thaba-Tseka is rich in water resources, with many agricultural fields situated alongside rivers. However, this potential is currently underutilised as water flows away without being captured. Constructing water harvesting dams and reservoirs is essential to enable systematic irrigation, reduce dependence on rain-fed farming, support year-round crop production, and build long-term climate resilience.

5.3.3. **Agricultural Diversification:** There is a need for diversification in agriculture, through investment in poultry and piggery alongside wool and mohair. Introducing these high-yield livestock options will create new income streams and significantly improve household nutrition and food security across the district.

5.3.4. **Electricity Supply in Remote Areas:** Access to electricity remains limited across the district, primarily serving urban centres and nearby communities. Expanding the electricity connection to reach remote rural areas is essential to ensure equitable energy access and boost local development.

5.3.5. **Health Facility Infrastructure and Maintenance:** The unavailability and lack of maintenance of healthcare facilities present a major challenge. Constructing new centres, expanding existing facilities, and ensuring ongoing maintenance are critical to delivering timely medical care and curbing preventable fatalities.

5.3.6. **Water, Sanitation, and Hygiene (WASH) for Child Welfare;** Severe water scarcity and inadequate sanitation facilities remain a major challenge across the district. Addressing these issues, particularly under the Child Development Initiative, is crucial for ensuring child health, hygiene, and overall well-being.

5.3.7. **Road Network Construction and Maintenance:** Constructing and expanding the road network is essential to facilitate trade, transport, and daily travel across the district. Improved infrastructure is critical to give agricultural machinery access to fields, allow residents to travel home safely, and connect communities to vital public services. Expanding access to roads remains a top priority for district development.

5.3.8. **Resuscitation of Agriculture, Emergency, and Youth Resource Centres;** Resuscitating local resource centres is vital for decentralising essential public services, enabling rapid, coordinated responses during critical agricultural crises like Foot-and-Mouth Disease outbreaks. Alongside this emergency infrastructure, revitalising Youth Resource Centres is equally critical to drive job creation and directly address the broader socio-economic needs of young people across the district.

6. Conclusion

6.1. To Sum-up, the group discussions present a unified, actionable roadmap for the economic development, infrastructure modernisation, and social advancement of the Thaba-Tseka District. Across all three groups, the strategic recommendations converge on four core pillars:

6.1.1. **Infrastructure Expansion and Energy Security;** Unlocking the district's potential requires robust physical and digital connections. Priorities include expanding the road network (notably key corridors like Thaba-Tseka to Qacha's Nek and Katse, alongside rural feeder roads) and constructing footbridges to guarantee safe passage for school children during heavy rains. Additionally, extending energy access through a mix of grid expansion, wind power generation on Mosehla Mountain, and solar streetlighting will enhance safety, drive business activity, and bridge the urban-rural energy divide. Upgrading telecommunication networks remains essential to connect underserved communities.

6.1.2. **Agricultural Modernisation and Natural Resource Commercialisation;** Transitioning from subsistence to high-value, climate-resilient agriculture is central to the district's economic strategy. Key measures include:

- **Mechanisation and Water Management:** Shifting from cattle-ploughing to tractor mechanisation, coupled with water harvesting dams for year-round irrigation along riverbanks.
- **Agro-Processing and Diversification:** Capitalising on local bumper yields by processing apples (cider/wine) and potatoes, alongside expanding high-yield livestock (poultry and piggery) to supplement traditional wool and mohair production.
- **Sustainable Natural Resource Monetisation:** Formally structuring the harvesting and sale of natural assets, such as thatching straw, river sand,

wild rosehip, and indigenous medicinal plants (e.g., Aloe, *Lengana*), to generate vital local council revenues while protecting grazing pastures and dongas through active land conservation.

6.1.3. **Human Capacity, Health, and Social Welfare:** To safeguard local communities, targeted investments in public health and child welfare are imperative:

- **Health Infrastructure:** Constructing, maintaining, and expanding health facilities to curb preventable fatalities.
- **WASH Initiatives:** Delivering clean water and adequate sanitation to remote areas, directly supporting child health under the Child Development Initiative.
- **Youth Empowerment:** Reactivating Youth Resource Centres to deliver targeted skills training and drive job creation for young people.

6.1.4. **Local Governance and Institutional Strengthening;** To realize these initiatives, the district requires strong local governance. Enacting the **Decentralisation Bills** will empower the local council with the legal authority and legislative enforcement needed to enact local by-laws, regulate informal trade (e.g., street vendor taxation and sanitation), manage district resources sustainably, and respond rapidly to emergency crises such as livestock disease outbreaks.

6.2. By aligning strategic investments in **infrastructure, agricultural value chains, sustainable resource extraction, and social service delivery**, Thaba-Tseka can transition from an isolated, weather-dependent region into a self-sustaining, climate-resilient economic hub.

ANNEX 2: MOKHOTLONG ACTIVITY REPORT

1. Introductions

1.1. The 2028 pre-budget consultations meeting was held on May 29, 2026, at Mokhotlong Hotel. Funded by the Government of Lesotho in partnership with UNICEF, these sessions aimed to improve participatory budgeting by involving citizens, local government representatives, community councillors, traditional chiefs, civil servants from the district, youth, the private sector, and civil society organisations. This cycle saw a significant increase in attendance from diverse youth groups. The forums focused on reporting the 2025/26 budget performance, outlining key allocations for the 2026/27 budget, and gathering public input for the 2027/28 fiscal year's strategic policy direction.

1.2. Officials from the Department of Budget facilitated the proceedings, collaborating with representatives from the Accounts and Administration departments. The Director of Planning from the Ministry of Local Government also attended.

2. REMARKS

2.1. District Administrator (DA)

2.1.1. In his opening remarks, the representative from the District Administrator’s office, Mr. Serobanyane, welcomed the attendees and thanked them for their dedication and effort in ensuring the success of the meeting. Reflecting on the session's objectives, he noted that the discussions would review the 2025/26 budget performance, present the approved 2026/27 budget, and gather vital public input to shape the 2027/28 budget policy.

2.1.2. Mr. Serobanyane urged all participants to listen attentively and contribute actively to the discussions, ensuring the district's needs are fully represented in future development agendas. He emphasised that proactive local participation is the only way to secure the funding required to address Thaba-Tseka's unique infrastructural and economic challenges.

2.2. Ministry of Finance and Development Planning

2.2.1. During the opening session, Ms Maleshoane Lekomola-Danziger, speaking on behalf of the Ministry of Finance and Development Planning (MFDP), outlined the primary objectives of the meeting. She explained that the session was designed to reflect on the budget performance of the previous financial year, present the details of the current budget, and actively gather policy advice from the public. Emphasising the value of these consultations, she highlighted how such initiatives significantly enhance public participation in the budgeting process. To facilitate structured feedback, she explained that attendees would form breakaway groups and select representatives to present each group’s top five priority needs at the conclusion of the session.

2.2.2. Addressing broader economic challenges, Ms Lekomola-Danziger noted that the recent conflict in the Middle East had driven up global fuel prices and increased the overall cost of living, requiring the Government to reprioritise its spending. Nationally, she pointed out that recent floods had devastated agricultural yields, underscoring the urgent need for a more resilient and modern approach to farming. She also urged the community to remain highly vigilant and adhere to official warnings regarding extreme weather conditions and livestock disease outbreaks, such as foot-and-mouth disease.

2.2.3. Looking toward the district's economic future, she prompted the audience to prepare for the fast-approaching completion of the Polihali Dam. Acknowledging that the end of construction would naturally lead to a decline in local construction-related economic activity, she urged community members to think innovatively and position themselves to tap into emerging tourism opportunities around the reservoir. In closing, Ms Lekomola-Danziger expressed her sincere appreciation to key partners, specifically UNICEF and FNB, whose immense contributions were vital to the success of the consultation initiative.

2.3. **FNB-Lesotho**

2.3.1. First National Bank (FNB) is dedicated to supporting national and district-level development through the strategic provision of expert financial advisory services. By deeply understanding the unique socio-economic priorities of both the nation and the local districts, FNB remains committed to aligning its corporate social responsibility and financial services with public developmental goals. Through this collaborative approach, the bank aims to offer tailored guidance and targeted financial support to empower local institutions, foster economic growth, and uplift communities.

2.3.2. To translate this commitment into tangible progress, FNB actively collaborates with local government bodies and community stakeholders to build financial literacy, support small enterprise development, and facilitate access to modern banking solutions. By investing in capacity building and offering practical financial planning advice, the bank helps rural entrepreneurs and local authorities manage resources more effectively. This proactive engagement ensures that FNB does not merely function as a financial institution, but as a key partner in driving sustainable, long-term economic development across the region.

3. GENERAL DISCUSSIONS/EXPECTATIONS

3.1. The country currently focuses heavily on immediate consumption rather than producing the goods and services needed to grow the economy. Discussions around the national budget typically centre on how to spend money rather than how to generate productivity and stimulate sustainable growth. To secure a better future for the next generation, we must shift our national mindset and broaden our economic outlook.

3.2. Achieving this shift requires redirecting public funds away from consumption and into high-impact, productive sectors like local manufacturing, modernised agriculture, and small business development. Boosting local production will create reliable jobs, establish domestic industries, and generate internal revenue. Ultimately, this transition will reduce our dependence on imports and foreign aid, building a self-reliant, resilient economy for the future.

3.3. **Local Government Policy and Research:** Living conditions vary across all districts, and government interventions must reflect these regional differences. It is therefore essential for the Government to establish an autonomous district research institute to undertake research at the district level, ensuring policy development is better informed**.**

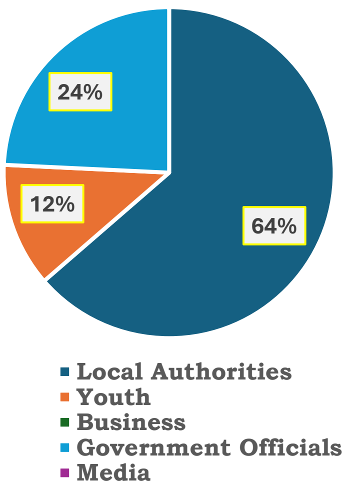
3.4. **Budget Allocation and Public Expenditure;** Funds appropriated by Parliament for national development, productivity and economic growth are frequently unspent at the end of the financial year. The Government, through the relevant ministries, must actively encourage departments to fully use their budget allocations as intended.

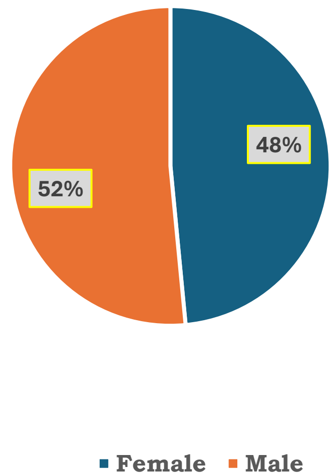
3.5. **Youth Dynamics and District-Specific Projects;** Young people face varying circumstances depending on the environment in which they were raised. Consequently, the Government needs to design youth-tailored projects that specifically account for these unique youth dynamics in Mokhotlong.

3.6. **Youth Apprenticeship Programme Management:** The Programme was originally situated within the Ministry of Finance before being relocated to the Cabinet (Office of the Prime Minister). Since this transfer, particularly regarding *Lesupatsela*, the programme is operating inefficiently, resulting in significant payment delays for participants.

3.7. **Decentralisation and Local Revenue Retention;** The absence of decentralisation significantly hinders district development. Once implemented, a portion of the royalties generated from local resources should be retained within the districts to foster regional growth. Currently, livestock from this country is being smuggled across informal border crossings and sold without paying tax, while natural resources continue to be extracted free of charge. The Government must expedite the process of decentralisation to address these issues**.**

4. STAKEHOLDER REPRESENTATION ILLUSTRATION





5. GROUP DISCUSSIONS

5.1. GROUP 1

5.1.1. **Wool, Mohair, and Meat Processing Infrastructure;** To shift from exporting raw commodities to high-value processed goods, the district should construct dedicated wool and mohair processing facilities and an abattoir in direct collaboration with local mines and by capitalising on the Polihali project's expanded infrastructure.

5.1.2. **Solar and Grid Electricity Connection:** There is a critical need to expand grid electricity connections alongside off-grid solar energy solutions across Mokhotlong District. Integrating solar power reduces operational costs and reliance on the main grid, providing the continuous, clean energy needed to drive industrialisation.

5.1.3. **Production of Grains, Fruits, and Vegetables:** Scaling up the local production of staple grains, cold-climate fruits, and high-yield vegetables, such as wheat, apples, and potatoes, is vital for district food sustenance and long-term agricultural sustainability. Achieving this requires leveraging bulk water access, and land development programs introduced by the Polihali Dam project, alongside tailored agri-financing, credit facilities, and investment support from commercial banks.

5.1.4. **Meat Health Inspection and Grading Constraints:** Despite procurement interest from Letšeng Diamond Mine and the Polihali Dam project to purchase meat locally, Mokhotlong farmers are currently unable to access these commercial markets. This barrier is driven by a lack of standardized meat grading frameworks and a shortage of qualified veterinary health inspectors required to examine, certify, and clear meat as disease-free prior to sale.

5.2. **GROUP 2**

5.2.1. **Technical Vocational Education, Training (TVET);** There is a need for enhancement of vocational education for students who struggle with academic education. Additionally, there is a need for remedial institutions, for students who need to sit for supplementary exams before proceeding to tertiary education.

5.2.2. **Youth Empowerment, Sports Infrastructure, and Creative Industry Development;** Cconstruction and maintenance of sporting facilities and enhancement of the creative industry through construction of Art studios, for Basotho to make a living from their respective talents.

5.2.3. **Primary Healthcare Infrastructure, Emergency Services, and Essential Utilities;** There is a need for health facilities and ambulances, to curb fatalities. There are health posts which are occasionally occupied with relevant practitioners, though efforts for water connection have been made, to facilitate continuous operations.

5.2.4. **Construction of Rural Road Network and Critical Access Infrastructure;** Expanding and upgrading the district's road network is critical to improving mobility and bridging the gap between rural communities and essential public services. Priority must be given to constructing resilient feeder roads leading directly to primary healthcare facilities and emergency centers, reducing patient transport delays and curbing preventable fatalities.

5.3. **GROUP 3**

5.3.1. **Livestock Value-Chain Infrastructure and Industrialisation:** Constructing a commercial abattoir and dedicated processing factories for wool, mohair, hides, and meat is essential for capturing higher-value finished products locally. This integrated value chain should encompass modernized animal shearing facilities, hygienic slaughtering operations, and advanced downstream processing—converting raw fibres into finished yarn, processing hides into leather, and refining animal by-products into high-value oils and tallow.

5.3.2. **Public Safety and Community Policing Infrastructure;** Establishing a dedicated police post in Khubelu is critical to strengthening community security, curbing livestock theft, and protecting emerging industrial investments in the district.

Increasing local law enforcement presence will improve emergency response times, enhance public safety, and foster a stable environment for business operations and community growth.

5.3.3. **Construction of roads;** constructing and upgrading rural feeder and arterial roads is fundamental to unlocking economic potential and improving social welfare across the district.

5.3.4. **Construction of a tourism information centre:** Constructing a modern Tourism Information Centre will serve as a gateway to position the district as a premier highland destination. The center will market local attractions, showcase Basotho cultural heritage, coordinate eco-tourism and adventure activities, and provide crucial guidance for travellers—thereby stimulating local hospitality businesses and generating community employment.

5.3.5. **Construction of sporting and recreational facilities;** Developing comprehensive sporting and recreational facilities that will cater to diverse athletic disciplines beyond football, including netball, athletics, basketball, and indoor sports. Paired with the full refurbishment of the Youth Centre, these facilities will nurture local talent, provide constructive pathways for youth development, and support vibrant community health and social cohesion.

6. Conclusion

6.1. To sum up, the priority initiatives identified across all three discussion groups highlight a clear mandate for district development: shifting from raw commodity export to localised value addition while strengthening basic infrastructure. To unlock Mokhotlong's economic potential and foster sustainable socio-economic growth, key interventions must address critical supply chain bottlenecks, modern accessibility, and human capital development through the following strategic priorities;

- **Unlocking Economic Potential Through Agricultural Value Addition:** Mokhotlong must transition from exporting raw commodities to local processing. Capitalising on the Polihali project and mining presence, the district can create sustainable commercial industries around wool, mohair, hides, and high-yield crops (wheat, apples, and potatoes).

- **Resolving Market Barriers:** Agricultural and livestock growth hinges on establishing formal meat grading standards and staffing certified veterinary health inspectors. Addressing these regulatory hurdles and equipping the farmers with necessary skills will enable them to secure lucrative supply contracts with large local buyers like Letšeng Mine and Polihali.

- **Strengthening Essential Rural Infrastructure and Utilities:** Sustainable district growth requires expanding clean energy (solar and grid electricity) to power industrial hubs, alongside building a resilient rural road network to ensure dependable access to healthcare, trade routes, and public services.

- **Upgrading Healthcare and Public Safety Systems:** Ensuring community welfare and a stable investment climate requires operationalizing primary health posts with dedicated practitioners, clean water, and ambulances, supported by targeted security infrastructure like the proposed Khubelu Police Post to tackle stock theft.

- **Empowering Youth and Diversifying the Local Economy:** Long-term socio-economic resilience depends on expanding TVET and academic remediation facilities, upgrading and refurbishing youth centres, investing in multi-sport infrastructure, and building a tourism information hub to nurture local talent across sports, arts, and hospitality.

6.2. Ultimately, these recommendations provide a balanced framework for both immediate relief and long-term economic independence. By addressing critical infrastructure gaps while building local capacity in industry, healthcare, and youth empowerment, Mokhotlong District is uniquely positioned to establish itself as a thriving industrial and agricultural hub for Lesotho.

ANNEX 3: BUTHA-BUTHE ACTIVITY REPORT

1. Introduction

1.1. The 2028 pre-budget consultations meeting was held on June 01, 2026, at Phokeng Guest House. Funded by the Government of Lesotho in partnership with UNICEF, these sessions aimed to improve participatory budgeting by involving citizens, local government representatives, community councillors, traditional chiefs, civil servants from the private sector, and civil society organizations. This cycle saw a significant increase in attendance from diverse youth groups. The forums focused on reporting the 2025/26 budget performance, outlining key allocations for the 2026/27 budget, and gathering public input for the 2027/28 fiscal year's strategic policy direction.

1.2. Officials from the Department of Budget facilitated the proceedings, collaborating with representatives from the Accounts and Administration departments. The Director of Planning from the Ministry of Local Government also attended.

2. REMARKS

2.1. **District Administrator**

2.1.1. In his opening remarks, Mr. Mathulisi welcomed all the participants, with a special mention to those travelling from Maseru. He paid respects to everyone present at the gathering: the chiefs, the youth, the self-employed, the business owners, the community councilors, and the public servants. He then requested that everyone should feel at home and carry out the community's work in a relaxed and comfortable manner. He then declared the meeting open and wished fruitful deliberations.

2.2. **Ministry of Finance and Development Planning**

2.2.1. In giving her remarks on behalf of the MFDP, the BC stated the purpose of the meeting, which is meant to reflect on the previous year’s budget performance, what the current year’s budget entails, and the plan for the subsequent year. She emphasised the importance of the meeting in shaping policy through public engagement, stating that the MFDP would like to hear from the audience about how the Government can enhance tourism and sports in the country.

2.2.2. She highlighted the impact of the Middle East war on the economy, as seen through the increase in fuel prices which escalated the overall cost of living. Furthermore, she stated that the recent floods, which have resulted in agriculture and infrastructure losses, call for innovative climate-smart irrigation and planting methods. These highlighted shocks will affect the execution of the current year’s budget, as they hit post-budget appropriation. To address these issues, she indicated that break-away groups would be formed, wherein the audience will suggest how the district can be developed.

2.2.3. In closing, the BC emphasised that the MFDP's collaboration with the Ministry of Local Government, Chieftainship, Home Affairs and Police is meant to ensure that the needs presented in the meeting are met. She then appreciated the support from UNICEF in ensuring that the budget answers the needs of children, as well as FNB's support in this journey.

2.3. Ministry of Local Government, Chieftainship, Home Affairs and Police

2.3.1. In her remarks, Director Planning, Mrs. 'Malehano Tšoenene warmly requested everyone in attendance to speak freely so that their views could be seamlessly integrated into the formulation of the upcoming financial year's budget policy. She expressed deep concern regarding the severe travel and transport challenges plaguing the Khukhune area, noting that poor road connectivity continuously hinders local socio-economic growth. Consequently, she suggested that during the upcoming breakaway group sessions, participants should critically reflect on the specific structural challenges they face as a district.

2.3.2. She iterated that this grassroots feedback would allow the MFDP to allocate resources effectively, responding to citizens' needs. Ultimately, addressing infrastructural bottlenecks experienced within the district is essential to ensure that the district's broader development plans can be successfully implemented for the benefit of the entire community.

2.4. FNB Lesotho

2.4.1. In her remarks, on behalf of FNB Lesotho, Ms. Lebohang Moqethei stated that part of the M100 million Inclusive Growth Fund held by First National Bank (FNB) remains completely unutilized in Butha-Buthe, exposing a severe disconnect between available state-backed capital and private sector uptake. Despite proactive outreach by the bank, including direct engagement with entrepreneur hubs like the Basotho Enterprises Development Corporation (BEDCO) to identify eligible manufacturing MSMEs, not a single business from the local private sector has come forward to access these funds. This lack of traction highlights critical systemic gaps in grassroots awareness, investment readiness, or data alignment among support institutions, threatening to derail the program's objective of driving local economic growth.

3. GENERAL DISCUSSIONS

3.1. The 60 - 69 age group seems to have been neglected in the job and opportunities creation, while other groups like the women and youth have been afforded some opportunities.

3.2. Many villages within the district still lack electricity. Villages stretching from 'Moteng to Mathebe, Linakeng, Likileng, and up to Ha Belo were noticeably left behind during the previous electrification roll-out.

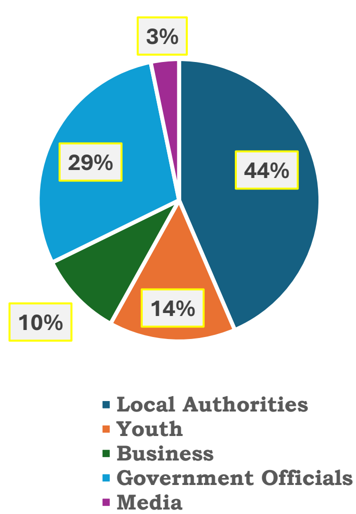
3.3. Concern was raised regarding whether the MFDP effectively monitors the development of strategic plans by line ministries. Business owners are currently unable to access these plans when requested, despite their availability being vital for understanding institutional mandates and priorities, which will ultimately support their successful implementation.

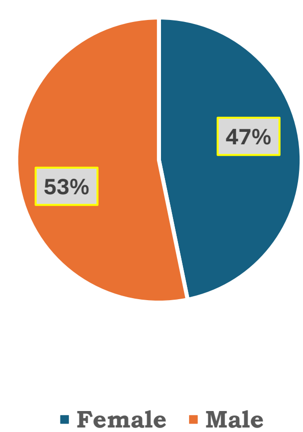
3.4. A major concern was raised regarding the lack of communication from the MFDP when cutting ministerial budget estimates. Local councils are seemingly not notified of these reductions, only becoming aware of them upon the disbursement of funds by the Ministry of Local Government.

3.5. Agriculture is frequently cited as the backbone of the nation in terms of economic growth, livelihoods and food security, yet the funds allocated to it do not match its economic significance, raising serious concerns over whether budget estimates are drafted without empirical research or if comprehensive studies have actually been conducted to determine the true funding required for effective agriculture.

3.6. The systematic exclusion of the private sector in national development initiatives severely undermines the government investment programmes viability. Without integrating private enterprises, public initiatives routinely suffer from fiscal strain, prolonged procurement bottlenecks, and structural inefficiencies which drastically reduce the overall sustainability and economic impact of national development goals.

4. STAKEHOLDER REPRESENTATION ILLUSTRATION





5. GROUP DISCUSSIONS

5.1. GROUP 1

5.1.1. Expenditure

5.1.1.1. **Construction of community access roads**: Prioritizing the construction and upgrading of rural feeder roads across Butha-Buthe will enhance mobility, integrate remote communities into the regional economy, and guarantee reliable year-round access to healthcare, education, and public services.

5.1.1.2. **Solar-Powered streetlights:** to contribute to the climate change mitigation and enhance the use of sustainable energy sources, the Government should consider installation of standalone solar-powered streetlights in high-traffic areas and public markets. This initiative will lower electricity costs and ensure public safety during frequent national grid power interruptions.

5.1.1.3. **Digital Security;** To curb widespread stock theft and safeguard rural livelihoods, it was recommended that the Government should establish an integrated digital security network. This includes deploying high-definition CCTV systems along key transit corridors and border crossings, paired with electronic microchip tracking for rural livestock moving through high-risk mountainous areas.

5.1.1.4. **Road and Public Facility Maintenance;** The Government must prioritize the systematic maintenance and rehabilitation of urban road networks alongside critical public facilities, including local health centers and police posts.

5.1.1.5. **Capacity Building in Waste Recycling for Youth;** the Government must provide targeted education and entrepreneurial development skill to young people in plastic and glass bottle recycling management. This program will improve town cleanliness, reduce waste accumulation, and create green livelihood opportunities for local youth.

5.1.2. Revenue enhancement strategies

5.1.2.1. **Value-Addition and Commercial Manufacturing from *Sekila*;** establish local agro-processing enterprises to produce high-value consumer goods, such as herbal teas, natural cosmetics, essential oils, and traditional remedies derived from sustainable harvesting of the indigenous *Sekila* (*Protea bush*).

5.1.2.2. **Provision of Dedicated Tourist Transport;** There is an urgent need to establish formalised transport services driven by experienced local drivers to convey tourists safely between designated heritage and leisure sites. Given that the national road network comprises steep, winding mountain passes that present significant hazard to unfamiliar drivers, this initiative will dramatically reduce traffic accidents and safeguard visitor wellbeing. Furthermore, the transport services will create sustainable employment for local drivers while reassuring safety for international travellers.

5.1.2.3. **Upgrade and Enhancement of Strategic Tourist Destinations** Targeted investment is urgently required to modernise key tourist sites, improve visitor facilities, and safeguard local cultural assets. Enhancing destination infrastructure will boost the district's appeal to international and domestic visitors, driving local economic growth and creating sustainable jobs.

5.1.2.4. **Management and Regulation of Passenger Vehicles at Bus Terminals;** A mandatory entry fee system should be introduced for all public transport vehicles entering bus ranks and terminals to directly fund essential maintenance, sanitation, and security upgrades. Beyond sustaining high facility standards, this framework will enforce operational discipline, eliminate unauthorised operators, and generate vital revenue for district management.

5.1.2.5. **Provision of Pay-As-You-Go Public Wi-Fi Networks** There is an urgent need to provide designated community hotspots with accessible public Wi-Fi managed through a flexible, pay-as-you-go payment model. This approach ensures affordable digital access for education and e-services without burdening low-income users with flat-rate fees.

5.1.2.6. **Construction and Regulation of Dedicated Parking and Rest Facilities at 'Moteng Pass;** Regulated parking hubs with rest and washroom amenities should be established along 'Moteng Pass and be placed under local Community Council management to enhance mountain road safety, maintain hygiene, and generate council revenue.

5.2. **GROUP 2**

5.1.1. Expenditure

5.1.1.1. **Rehabilitation and Improvement of Roads**; Government and local authorities must urgently prioritise the upgrading and maintenance of internal district road networks. Ensuring safe, seamless mobility across the district is essential to connect rural and remote residents with critical public services, including healthcare, education, and local commercial markets.

5.1.1.2. **Consolidation and Regulation of Informal Street Vendors;** Street vendors and informal traders should be designated to dedicated, central vending zones equipped with purpose-built market stalls. This structured trading environment will allow local authorities to implement rental tariffs or licensing fees to cover facility maintenance, security, and waste management.

5.1.1.3. **Strategic Procurement Quotas for Youth and Female Entrepreneurs;** Public works and service delivery contracts valued up to M5 million be exclusively allocated to registered youth and women traders. Prioritising these businesses in state procurement will stimulate grassroots enterprise development and ensure equitable distribution of public resources while creating sustainable local employment, reducing poverty, and strengthening community resilience.

5.1.1.4. **Access to Essential Farming Inputs;** Government must ensure timely and affordable access to high-quality agricultural inputs. This will increase crop yields, enhance household food security, and elevate rural farming from subsistence to commercial viability.

5.1.1.5. **Construction and Expansion of Healthcare Facilities in Remote Areas;** the Government must prioritise construction and expansion of fully equipped healthcare centres in hard-to-reach, underserved communities to ensure prompt access to emergency and general medical care.

5.1.2. Revenue and Tourism enhancement

5.1.2.1. **Construction of 'Moteng Pass Tollgate**; A modern tollgate facility should be constructed along 'Moteng Pass to capture revenue from heavy transit and commercial traffic utilizing this key mountain corridor. The funds generated through these road tolls will directly support routine maintenance, infrastructure upgrades, and continuous traffic management along steep inclines.

5.1.2.2. **Establishment of District Rosehip Processing Infrastructure;** Local value-addition factories should be established to process wild rosehip, which grows abundantly in the district, particularly throughout the Motete area. Processing this natural resource locally transforms wild harvests into high-value commercial oils, teas, and health products for regional and international export markets.

5.2. GROUP 3

5.2.1. Expenditure

5.2.1.1. **Sustainable Road Infrastructure;** Construction of durable access routes, specifically Nqabeni-Tsime and Marakabei-Tsime, alongside urban road expansions and traffic lights installation is essential. This will ensure seamless traffic flow during peak month-end periods and improved safety.

5.2.1.2. **Electricity and network connection;** There is a need for expanding national electricity and network connectivity to communities and directly to educational institutions across the district. Connecting schools to reliable power and internet access enables digital learning platforms, allowing students and teachers to access educational resources seamlessly.

5.2.1.3. **Solar powered streetlights**: installation of solar-powered streetlights along major urban and rural access routes across the district is essential. Providing sustainable, off-grid public lighting will improve nighttime road safety and deter crime.

5.2.1.4. **Provision of Community Water Supply Infrastructure;** There is a critical need to construct a reliable water supply system, particularly at Ha Chepeseli, where residents currently depend on a single well. Developing modern water infrastructure will guarantee equitable access to clean, safe drinking water, eliminate long daily queues, and significantly improve public health standards across underserved rural communities.

5.2.1.5. **Skills Development and information dissemination for the youth;** There is an urgent need to roll out comprehensive skills training and information campaigns tailored to young people living in hard-to-reach areas. Many rural youths remain unaware of vital empowerment schemes such as the Sebabatso Initiative, limiting their access to business grants and mentorship. Delivering decentralised training and community-level awareness drives will bridge this urban-rural divide and foster sustainable youth-led enterprises.

5.2.2. Revenue and Tourism enhancement

5.2.2.1. **Paid Parking space:** To generate sustainable revenue and improve district infrastructure, regulated paid parking zones across key urban and commercial hubs should be established. This initiative will not only create a consistent income stream for district councils, but it will also reduce daily traffic congestion, enhance road safety, and fund routine street maintenance.

5.2.2.2. **District Mining Levies;** existing policy frameworks must be reviewed to mandate active mining operations to remit a fixed percentage of their development levies directly to the local district councils where they operate. Allocating these funds locally ensures that mining wealth directly finances critical district projects.

5.2.2.3. **Community Entertainment Parks and Youth Recreational Centers**; establishment of multi-purpose community entertainment parks and recreational facilities that charge modest entrance fees for youth activities and events is crucial. These venues will provide safe, constructive spaces for young people while creating a self-sustaining funding model that supports ongoing facility maintenance and creates local jobs in event management and park operations.

5.2.2.4. **Tollgates and Eco-Tourism Points at Afriski and ’Moteng**; erection of tollgates at key high-altitude transit points such as Afriski and the ’Moteng viewpoint is advised. Constructing modern public restrooms, setting up recycling waste bins, and maintaining site hygiene will preserve these scenic mountain routes while offering well-maintained rest stops for travellers and tourists.

5.2.2.5. **Refurbishment and Fencing of Cultural Heritage Sites;** the Government must prioritise the refurbishment and upgrading of historic sites, specifically Sehlaba-sa-Mopeli, Sekubu, and Liphofung caves, and further provide secure fencing for the same to protect its cultural integrity. Upgrading visitor services and protecting these heritage assets will significantly boost district tourism, drive local economic growth, and safeguard valuable cultural landmarks for future generations.

6. Conclusion

6.1. To sum-up, key recommendations from across the group discussions, outlined a unified roadmap for district development centered on revenue generation, infrastructure modernization, and community empowerment. Based on the discussion, the following need to be addressed;

6.1.1. **Strategic Infrastructure and Connectivity**: Prioritising the construction, maintenance, and rehabilitation of rural feeder roads (e.g., Nqabeni-Tsime, Marakabei-Tsime) and urban traffic systems, complemented by off-grid solar streetlighting and expanded electricity supply for communities and schools.

6.1.2. **Resource Monetisation and Value Addition:** Driving revenue generation by establishing local processing enterprises for native natural resources, such as indigenous Sekila (Protea bush) and wild Rosehip, to create high-value consumer goods for domestic and export markets.

6.1.3. **Local Revenue Enhancement and Sustainable Tourism:** Developing sustainable council funding models through paid urban parking, mandatory bus terminal entry fees, district mining levies, and strategic tollgates along scenic mountain passes (Afriski and ’Moteng Pass), alongside the upgrading and securing of cultural heritage sites (Liphofung, Sekubu, and Sehlaba-sa-Mopeli).

6.1.4. **Youth Empowerment and Social Equity:** Promoting socio-economic development through targeted recycling skills training, decentralized information campaigns for youth funding schemes (e.g., Sebabatso Initiative), and reserving public procurement quotas (up to M5 million) specifically for youth and women entrepreneurs.

6.1.5. **Essential Public Services and Community Security:** Improving fundamental quality of life through modern rural water supply systems, expanded healthcare facilities in hard-to-reach areas, affordable pay-as-you-go public Wi-Fi, and integrated digital security networks (CCTV and livestock microchipping) to curb stock theft.

ANNEX 4: LERIBE ACTIVITY REPORT

1. Introduction

1.1. The 2028 pre-budget consultations meeting was held on June 03, 2026, at Mountain View Hotel. Funded by the Government of Lesotho in partnership with UNICEF. These sessions aimed to improve participatory budgeting by involving citizens, local government representatives, community councillors, traditional chiefs, youth, civil servants from the district, the private sector, and civil society organizations. This cycle saw a significant increase in attendance from diverse youth groups. The forums focused on reporting the 2025/26 budget performance, outlining key allocations for the 2026/27 budget, and gathering public input for the 2027/28 fiscal year's strategic policy direction.

1.2. Officials from the Department of Budget facilitated the proceedings, collaborating with representatives from the Accounts and Administration departments. The Director of Planning from the Ministry of Local Government also attended.

2. REMARKS

2.1. District Administrator (DA)

2.1.1. In his opening remarks, the DA welcomed delegates from all sectors, including traditional chiefs, local councillors, and youth representatives. He commended the Ministry of Finance and Development Planning for its unwavering commitment to transparency and public engagement, praising its continued efforts to involve citizens in key policy-making processes through their elected leadership. He urged all delegates to commit fully to the day's agenda and passionately advocate for their communities' priorities, noting that the diverse composition of attendees would provide varied perspectives, leading to a comprehensive understanding of local needs and actionable solutions.

2.1.2. Furthermore, the DA expressed his sincere appreciation to the participants for setting aside their daily duties for the advancement of the nation’s plans, underscoring the proven impact of these consultations. He emphasized that key priorities submitted in previous years are actively receiving funding in the current financial year's budget—a clear demonstration that community input drives real fiscal action.

2.2. Ministry of Finance and Development Planning

2.2.1. In her remarks, on behalf of the MFDP, The Budget controller (BC) shared the purpose of the meeting, stating that it is meant to give a review of the previous financial year’s budget performance, highlight what the current year’s budget entails and finally take policy advice for the subsequent year’s budget. She highlighted the impact of the recent middle East war which led to an increase in fuel prices, necessitating a government subsidy. Furthermore, she emphasised the importance of adherence to warnings made against bad weather conditions and disease outbreaks, such as the foot and mouth disease, as adherence can mitigate unnecessary tragedies.

2.2.2. The BC expressed her appreciation for the collaboration and support from UNICEF, in ensuring that the budget takes into consideration the needs of the children. She further appreciated FNB for their support in the endeavour. In concluding, she urged the audience to participate freely, stating that it is important for them to work in unison as the Linare people, for the betterment of the district. She emphasised that breakaway groups will be created wherein the district's needs will be discussed and later presented before the audience, by respective group representatives.

2.3. Ministry of Local Government and Chieftainship, Home Affairs and Police

2.3.1. The Director Planning, Mrs. Tšoenene, extended her appreciation to the Ministry of Finance and the Department of Budget for consistently involving district representatives and local government in the annual fiscal planning process. She emphasized the importance of aligning the specific needs of the Leribe communities with national strategic frameworks to ensure their priorities are reflected in the final budget estimates. She urged local authorities to begin drafting and prioritizing their development plans immediately following the consultation. Additionally, Mrs. Tšoenene instructed district engineers to prioritize climate resilience, ensuring all future road infrastructure is built to withstand extreme flooding and water erosion.

2.4. FNB Lesotho

2.4.1. The representative of FNB Lesotho, Ms. Mohapeloa expressed sincere gratitude to the Ministry of Finance and Development Planning for its high-impact partnership and for providing the banking sector a platform to participate in critical national and district consultations. Positioning the institution as a strategic financial advisor rather than a traditional bank, the representative highlighted FNB's goal to help districts optimize budget allocations, manage capital projects efficiently, and unlock sustainable funding streams. Furthermore, leveraging its deep, data-driven understanding of Lesotho's economic priorities, FNB declared its readiness to deploy the necessary financial instruments and technical expertise to accelerate infrastructure growth, execute priority projects, and advance district socio-economic development.

3. GENERAL DISCUSSIONS

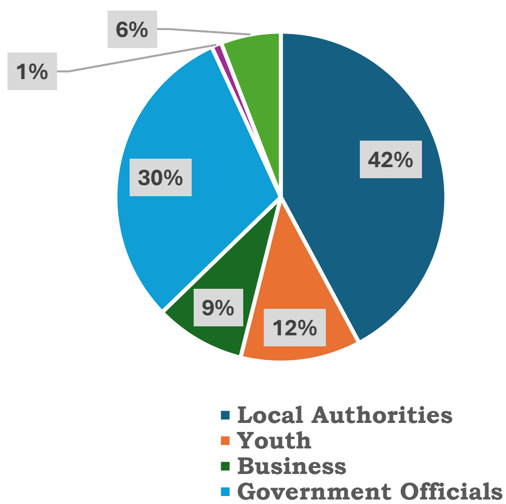
3.1. One of the main problems in agricultural production is the delay in the distribution of inputs. Agriculture is not instilled in the youth, it is rather used as punishment in schools and is not one of the compulsory subjects, rather an elective subject.

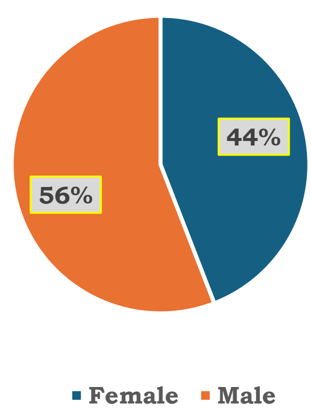
3.2. The waiver for youth-led businesses registration is only limited to the articles of incorporation, while trademarks are still to be paid for, though they are crucial for sustainability of businesses. It is advisable to also waive other costs hindering youth from getting into and continuing in business.

3.3. Conditions for access to funds earmarked for youth-led businesses development are stringent, as for example, ten hectares of land are required for access to funding for crop farming. Most of the youth cannot meet this requirement as they do not have land.

3.4. The Government seems to be focused on funding crop farming relative to livestock and forestry. Trees plantation can boost the economy through production of timber and poles.

4. STAKEHOLDER REPRESENTATION ILLUSTRATION





5. GROUP DISCUSSIONS

5.1. GROUP 2

5.1.1. Emergency Contingency Budget Allocation; There is a need to prioritise the contingency budget to enhance preparedness during unforeseen emergencies, such as the recent urgent, unbudgeted maintenance required at Mohlomi Hospital. Establishing dedicated emergency reserves will prevent operational disruptions in critical public health and safety facilities when crisis strikes.

5.1.2. Import Quotas and Agricultural Market Protection; Enforcement of import quotas on agricultural products is necessary to curb unfair competition from imported South African produce, which can sometimes be inferior to locally grown goods. Restricting agricultural imports will safeguard domestic farmers, stabilize local food supply chains, and retain capital within the national economy.

5.1.3. Agricultural Resource Centers and Disease Control; Establishment of dedicated agricultural resource centers is a necessity to provide immediate support to local farmers, particularly during livestock disease outbreaks such as the Foot-and-Mouth Disease (FMD). These centers will serve as local hubs for veterinary aid, technical guidance, rapid biosecurity response, and continuous farmer extension education.

5.1.4. Sector Interoperability through Agritourism; Fostering strategic collaboration between the tourism and agriculture sectors (agritourism) will maximize economic synergy and drive growth across both industries. Integrating farm visits, rural cultural experiences, and farm-to-table initiatives creates secondary revenue streams for rural agricultural households. Consequently, this joint approach diversifies the local tourism portfolio while opening direct, high-value markets for locally produced food and crafts.

5.1.5. Labor-Intensive Community Road Maintenance; Routine maintenance of community roads should be conducted manually through local labor initiatives, with heavy machinery ("yellow plant") temporarily suspended to promote local employment. Transitioning to manual road upkeep channels public expenditure directly into household incomes, providing immediate livelihood support for local youth and jobseekers. Moreover, this community-driven approach ensures regular, cost-effective maintenance of unpaved feeder roads while building a strong sense of local ownership over public infrastructure.

5.1.6. Rehabilitation of Public Service Buildings and Staff Quarters; Immediate refurbishment of government infrastructure serving the public, including local police stations and official staff residences is needed. Restoring essential service centers improve working conditions for civil servants and ensures visitors receive services in clean, safe, and dignified environments.

5.1.7. Strategic Agricultural Storage and Price Stabilization; Constructing dedicated agricultural warehouses or storage facilities is critical to establish long-term pricing mechanisms, preventing price volatility during peak harvest seasons. Modern grain and produce storage allow farmers to hold surplus yields safely rather than panic-selling at depressed market prices during bumper harvests.

5.2. GROUP 3

5.2.1. Expenditure

5.2.1.1. **Urban Sanitation and Waste Management;** There is an urgent need for regular, comprehensive cleaning initiatives throughout the town center. Improving waste management infrastructure will enhance public health, hygiene, and the overall aesthetic appeal of the district.

5.2.1.2. **Infrastructure Development and Traffic Decongestion:** Construction of new roads and expansion of existing arterial routes is essential to accommodate increasing vehicle volumes. Upgrading this infrastructure will significantly reduce traffic bottlenecks, minimize commute times, and boost local economic productivity.

5.2.1.3. **Decentralized Healthcare and Construction of additional Clinics:** Construction of local primary healthcare clinics is critical to offload Motebang Regional Hospital, which is currently severely overburdened. Expanding health facilities within the district, especially in hard-to-reach places, will ensure accessible, timely medical care for residents while improving specialised services at the referral level.

5.2.1.4. **Agricultural Input Accessibility**: Smallholder and local farmers require straightforward, reliable access to affordable agricultural inputs such as seeds and fertilizers. Streamlining these supply chains will enhance local food security, boost yield outputs, and support sustainable farming livelihoods.

5.2.1.5. **Sports Diversification and Professionalization:** Developing a wider variety of sports programs is vital to transform local athletics from basic recreational pastimes into sustainable professional careers. Investing in grassroots facilities, structured leagues, and talent development will offer youth viable long-term livelihoods and professional pathways.

5.2.2. Revenue and Tourism enhancement

5.2.2.1. **Tourism Infrastructure and Wildlife Conservation:** There is a need for construction of roads leading to tourist attraction sites and fencing of the Tšehlanyane National Park, to ensure security of the wildlife in the park. Upgrading transport links and safeguarding natural assets makes tourist destinations far more accessible and market-ready, directly driving local job creation and sustainable economic growth.

5.3. GROUP 4

5.3.1. Construction of Urban Road Infrastructure and Bridges: Construction of dedicated roads within the urban council and building of critical bridges in Sentšonyane Stream and Hlotse River will drastically improve district connectivity. These structural developments will ensure safe, reliable year-round transit for vehicles and pedestrians, linking communities to vital economic hubs.

5.3.2. Water Access Expansion and upgrading of Agricultural Irrigation: Expansion of clean water network connections in Thaba-Putsoa and upgrading of local irrigation systems is essential for domestic health and food security. Improved water distribution ensures households have reliable potable water while empowering local farmers to increase crop yields through sustainable farming methods

5.3.3. Electricity Connection: There is a need for electricity connection within the district. Accelerating grid extensions to connect unserved households and commercial centers to reliable electricity is critical for local development.

5.3.4. Cultural Site Maintenance and Recreational Development: Restoring the historical Menkhoaneng tourist site, upgrading public sanitation facilities at Outward-Bound, and constructing modern sports fields in the district will significantly strengthen both local tourism and community well-being. These targeted enhancements safeguard critical heritage assets for international and local visitors while providing young people with safe, well-equipped venues for athletic and skill development.

5.4. GROUP 1

5.4.1. Expenditure

5.4.1.1. **Bypass and Gravel Road Construction**: Construction of durable gravel roads and detour bypass routes is essential to redirect traffic smoothly and prevent severe congestion while major transit roads undergo construction. These alternative access points will also improve connectivity for rural residents who currently lack dependable year-round transit options.

5.4.1.2. **Water Infrastructure Network:** Connecting households to piped water infrastructure is essential to directly leverage the district’s abundant water sources for a safe, reliable supply. This expansion will significantly reduce waterborne health risks while sparing residents the burden of manually transporting water over long distances.

5.4.1.3. **Diversification of Climate-Resilient Agricultural Cro Production:** The Government should introduce diverse, climate-appropriate grain cultivation beyond seasonal maize and sorghum to enable year-round harvesting and boost food security. Implementation of rotational cropping patterns will restore vital soil nutrients and protect local farming communities against unpredictable weather shifts.

5.4.1.4. **Solar Energy Generation:** The Government should consider deploying solar power infrastructure in the southern districts of Mafeteng and Quthing, which experience significantly longer sunshine hours compared to the northern district of Leribe, to rapidly expand district electrical capacity. Harnessing this regional solar potential offers a cost-effective solution for electrifying off-grid commercial hubs and residential communities.

5.4.2. Revenue and Tourism enhancement

5.4.2.1. **Cultural Heritage Preservation and Employment Creation:** Construction of a cultural village at Menkhoaneng is vital to safeguard local historical assets and showcase cultural traditions to visitors. Developing this dedicated heritage site will generate sustainable employment opportunities and stimulate economic activity through increased tourism.

5.4.2.2. **Waste Management and Sustainable Job Generation:** Establishment of a systematic waste classification and recycling programmes are essential and present a viable mechanism for substantial local job creation. Converting discarded materials into valuable resources supports environmental sustainability while establishing sustainable, green micro-enterprises.

5.4.2.3. **Labour-Based Road Maintenance and Social Security:** Implementation of labour-based strategies for the routine maintenance of community access roads is highly recommended, as this initiative directly generates targeted employment opportunities for vulnerable households. Transitioning from informal financial assistance to structured, wage-earning work fosters long-term economic self-reliance while systematically upgrading local infrastructure.

6. Conclusion

6.1. In summary, across the group presentations, strategic priorities for community development center on investing on infrastructure, agricultural resilience, decentralized healthcare, and sustainable tourism to foster economic growth and local employment. This integrated approach aims to tackle core challenges such as traffic congestion and agricultural vulnerability through community-driven, sustainable initiatives:

6.1.1. Infrastructure and Energy Development: Expansion of the bypass roads, transit corridors, and critical bridges across Sentšonyane and Hlotse is essential to relieve urban congestion and connect rural areas. At the same time, implementation of a labour-intensive road maintenance approach, directs public funds into local household incomes while upgrading feeder networks. Additionally, district grid extensions and southern solar energy generation in Mafeteng and Quthing will cost-effectively power off-grid communities.

6.1.2. Agricultural Productivity and Market Protection: Enforcement of import quotas will protect local farmers from unfair competition, while crop diversification beyond maize and sorghum will secure year-round harvests and restore soil vitality. Regional storage warehouses will prevent harvest price volatility and dedicated Agricultural Resource Centers offer vital biosecurity support during outbreaks like th Foot-and-Mouth Disease. Expansion of clean drinking piped water and irrigation translates natural reserves directly into improved yields and household food security.

6.1.3. Healthcare Infrastructure and Social Welfare: Construction of local primary care clinics will offload overburdened regional facilities like Motebang Hospital, while expanding medical access to remote communities. Establishing emergency contingency budgets will ensure that urgent, unbudgeted repairs at facilities such as Mohlomi Hospital occur without interrupting core public services. Concurrently, refurbishment of public infrastructure and staff quarters will restore working dignity and improve service environments for civil servants and visitors alike.

6.1.4. Tourism, Culture and Community Growth: Upgrading of access roads, restoration of the Menkhoaneng cultural site, and fencing of Tšehlanyane National Park will safeguard wildlife while establishing high-value regional tourist destinations. Fostering agritourism through farm-to-table initiatives will create secondary revenue streams for rural households. Meanwhile, systematic waste management and recycling programs will generate green micro-enterprises while modern sports facilities will provide structured development pathways for youth.

ANNEX 5: MASERU ACTIVITY REPORT

1. Introduction

1.1. The 2028 pre-budget consultations meeting was held on June 08, 2026, at Khutsong Lodge. Funded by the Government of Lesotho in partnership with UNICEF, these sessions aimed to improve participatory budgeting by involving citizens, local government representatives, community councillors, traditional chiefs, the private sector, civil servants from the district and civil society organizations. This cycle saw a significant increase in attendance from diverse youth groups. The forums focused on reporting the 2025/26 budget performance, outlining key allocations for the 2026/27 budget, and gathering public input for the 2027/28 fiscal year's strategic policy direction.

1.2. Officials from the Department of Budget facilitated the proceedings, collaborating with representatives from the Accounts and Administration departments. The Director of Planning from the Ministry of Local Government also attended.

2. REMARKS

2.1. District Administrator

2.1.1. The representative from the District Administrator's (DA) office opened the proceedings by welcoming attendees and commending community representatives for their unwavering commitment to public service despite ongoing administrative and budgetary constraints. He encouraged participants to leverage the platform to voice collective concerns and offer impactful contributions to shape the district's future.

2.1.2. He noted that, despite severe resource limitations, community representatives remain steadfast in their duties, and he urged them to use the forum to articulate shared priorities and contribute constructively to the district's strategic agenda. Emphasising the severe obstacles posed by inadequate infrastructure, he called upon the Ministry of Finance and Development Planning to ensure an equitable allocation of resources, particularly for vulnerable mountainous districts that face significant geographic disadvantages. He wished the meeting fruitful deliberations.

2.2. Ministry of Finance and Development Planning

2.2.1. In her opening remarks on behalf of the MFDP, the Budget Controller (BC) welcomed representatives from the youth, the business community, and government officials, expressing gratitude to UNICEF and FNB for their ongoing support and collaboration. She outlined the meeting’s main objectives: reviewing the previous year’s budget performance, explaining the current budget, and gathering policy direction for the upcoming financial year. Emphasizing the vital role of public participation in national planning, the BC urged attendees to engage freely and earnestly, as their input would directly shape future financial strategies.

2.2.2. She further noted that recent unforeseen events, such as the Middle East conflict, foot-and-mouth disease, and the Hanta-virus, occurred after the current budget was finalized, forcing the government to subsidize fuel and reprioritize funding. To drive future economic growth, the government plans to focus on Agriculture, Trade, Tourism, and Mining, backed by the ICT, Health, and Education sectors. The BC concluded by announcing that attendees would split into breakaway groups to discuss district priority needs, tourism opportunities, and revenue enhancement strategies, which would later be presented to the full assembly.

2.2.3. In his address, Mr Teboho Shelile, Advisor to the Honourable Minister of Finance and Development Planning, reiterated the vital importance of public participation in national planning. He challenged the audience to consider who ought to be held accountable when budgeted initiatives, such as road construction, fail to materialise. Mr. Shelile explained that while certain projects receive funding allocations, they are frequently not ready for execution due to a lack of essential preparatory work, including initial concept development, feasibility studies, and detailed engineering designs. He noted that projects are sometimes introduced in the budget speech at a very early stage, well before these critical assessments are completed to ensure their viability.

2.2.4. Consequently, this raises an important question regarding the role of local government representatives and the general public when budget promises remain unfulfilled: whether citizens directly approach the relevant ministries, through their respective Honourable Ministers, to seek clarity and demand accountability. It is the collective responsibility of both local leaders and the public to actively seek answers regarding the development of projects outlined in the budget.

2.3. UNICEF

2.3.1. In his remarks on behalf of UNICEF, Mr Bob Muchabaiwa expressed his gratitude for the opportunity to address the public representatives, emphasizing that children and youth remain UNICEF's primary focus. He asserted that children must be placed at the heart of national planning to drive long-term economic transformation and sustainable development. Presenting an overview of national revenue, Mr Muchabaiwa demonstrated that the government's resource envelope has remained relatively static over time. He highlighted that scope exists to increase tax revenue, urging local councillors to explore strategies to encourage tax compliance within their communities.

2.3.2. Mr Muchabaiwa welcomed the government's commitment to human capital development, noting the substantial budget allocations made to the Health and Education sectors for the 2026/27 financial year. However, he expressed concern over the visible decline in digital transformation efforts, despite the global shift towards a digital economy. To address foundational learning, he requested increased investment in Early Childhood Care and Education (ECCD), citing evidence that children who attend Reception (Grade R) consistently outperform those who do not upon entering Grade 1.

2.3.3. UNICEF presented the following key recommendations to enhance government revenue and expenditure efficiency:

2.3.3..1. **Develop a Climate Finance Strategy:** Formulate and operationalise a national climate finance strategy featuring a portfolio of bankable, climate-resilient projects to unlock concessional and grant funding.

2.3.3..2. **Establish a Blended Finance Facility:** Create a blended finance mechanism combining public funds, donor resources, and private capital, to scale investments across high-impact social sectors.

2.3.3..3. **Modernise Tax Administration:** Strengthen tax administration through digital integration, including real-time VAT monitoring and measures to broaden the formal tax base.

2.3.3..4. **Optimise Tax Yields:** Enhance the efficiency and yield of existing tax structures by rationalising exemptions, refining excise duties, and strengthening the property tax regime.

2.3.3..5. **Improve Expenditure Efficiency:** Drive public spending efficiency through systematic expenditure reviews, enhanced budget execution monitoring, and performance-based budgeting frameworks.

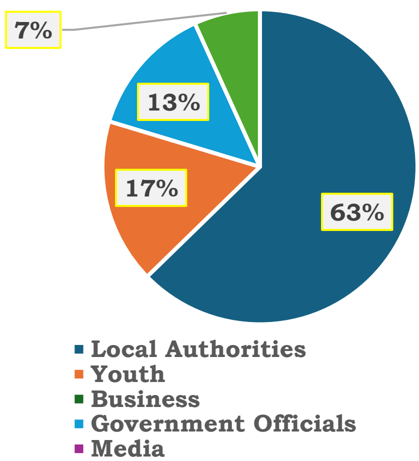
2.3.4. In conclusion, Mr Muchabaiwa emphasised that sustainable youth development and employment depend on successfully transitioning children along the pathway from learning to earning.

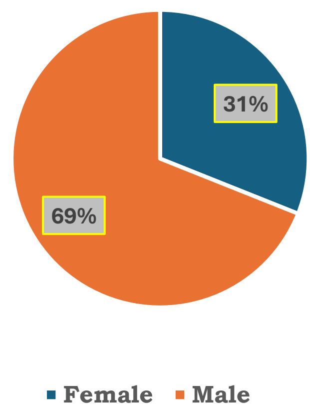
3. GENERAL DISCUSSIONS

3.1. A primary cause of capital budget underperformance is the persistent delay in releasing and transferring funds to local councils. First quarter disbursements typically reach the councils as late as August, coinciding with the already demanding process of preparing the subsequent financial year's budget. Compounding this issue, funds for the final quarter are frequently received only in late March or early April of the following fiscal year. This delayed cash flow severely compresses the implementation window, severely hindering the councils' ability to execute planned capital projects effectively.

3.2. The requirements for qualification for funding earmarked for agriculture purposes are stringent, even when the applicants have been verified by the Ministry of Agriculture Food Security and Nutrition that indeed they are farmers.

4. STAKEHOLDER REPRESENTATION ILLUSTRATION





5. GROUP DISCUSSIONS

5.1. GROUP 2

5.1.1. Expenditure

5.1.1.1. **Electrification and Power Connectivity:** There is an urgent need to extend the main electricity connection to rural communities across the Maseru District. Providing a reliable power supply is essential to elevate basic living standards and support small-scale local enterprises.

5.1.1.2. **Public Street Lighting and Crime Prevention:** The installation of public streetlights is necessary to illuminate dark village feeder roads and trading centres. Enhanced visibility will significantly deter criminal activities, such as livestock theft, while ensuring safe night-time movement for residents.

5.1.1.3. **Road Network Maintenance:** Regular maintenance and upgrade of unpaved rural feeder roads is required to ensure year-round transit. Improved road quality will facilitate uninterrupted access to emergency healthcare, reduce transport costs, and enable local farmers to reach trade markets reliably.

5.1.1.4. **Urban Market Infrastructure and Trade Enhancement:** The construction and rehabilitation of structured urban market centres is essential to support rural producers. Modern trading venues will create broader market outlets for agricultural produce and local crafts, driving both local tourism and district revenue growth.

5.1.1.5. **Sports Complex and Community Youth Development**: The rehabilitation and expansion of existing local sporting grounds into modern, fully equipped athletic facilities is critical for countryside communities. This infrastructure investment will actively engage rural youth, nurture local talent, and strengthen social unity across the district.

5.1.2. Revenue and Tourism Enhancement

5.1.2.1. **Sustainable Rangeland Management:** The rehabilitation of community communal pastures and the strategic restructuring of livestock penalty fees are essential for safeguarding natural grazing resources. Reviewing and modernising the rangeland regulations will prevent its degradation, protect rural livelihoods, and establish a fair, local revenue-generation mechanism for local councils.

5.1.2.2. **Development and maintenance of Recreational Infrastructure**: Construction of public parks, establishment of recreational centres, and maintenance of district assets like the Rapokolona sports facility are vital for boosting leisure tourism. Upgrading these amenities will attract visitors to rural Maseru, stimulate local business opportunities, and diversify public revenue streams.

5.1.2.3. **Telecommunications Expansion for Educational Advancement:** Expanding broadband connectivity across rural settlements is critical for supporting digital learning in local schools and unlocking commercial opportunities. Reliable network access enables local governance to leverage digital advertising displays (billboards) and online marketing, creating modern revenue channels for rural development.

5.2. GROUP 3

5.2.1. Expenditure

5.2.1.1. **Enactment of Decentralisation Bill:** There is an urgent need to implement comprehensive decentralisation across public administration to streamline governance structures. Devolving authority and operational budgets to local entities will enhance accountability and significantly improve service delivery at the community level.

5.2.1.2. **Agricultural Inputs Subsidy:** The Government should introduce targeted financial subsidies covering essential agricultural inputs and animal feed to alleviate operational costs for local farmers. This intervention aims to protect primary producers from price volatility, enhance livestock food security, and stimulate broader agricultural productivity.

5.2.1.3. **Community-Based Healthcare and Inclusive Employment**: Primary healthcare services must be brought closer to local communities through the expansion of community-based healthcare services and an increased recruitment of Village Health Workers, supported by formal remuneration to ensure consistent service delivery. Recruitment should specifically target individuals aged 60 to 69 to bridge a critical social policy gap; civil servants retire at age 60, yet the state old-age pension commences only at age 70. Engaging this demographic group as paid healthcare workers strengthens local medical capacity while providing vital income security for older adults currently excluded from state support and broader economic opportunities.

5.2.1.4. **Digital Infrastructure for Youth Development:** Prioritising the electrification of youth resource centres alongside the provision of digital hardware and high-speed Wi-Fi is critical for bridging the digital divide. Equipping these facilities ensures young people gain equitable access to educational resources, skill-building programmes, and tailored employment opportunities.

5.2.2. Revenue and Tourism enhancement

5.2.2.1. **District Infrastructure and Revenue Generation:** Construction of market centres and public sanitary facilities within urban centres to expand local authority revenue streams is critical. These infrastructure developments will provide structured commercial spaces for informal traders, improve civic sanitation standards, and enhance overall district fee collection.

5.2.2.2. **Regulatory Compliance for Range Management:** Revision and upward adjustment of penalty fees for illegal livestock grazing on designated pastures to enforce order and sustainable range management is advised. Stricter financial deterrents will discourage illegal land use, protect vital rangeland ecosystems, and ensure compliance with municipal bylaws.

5.2.2.3. **Tourism Information Infrastructure:** Establishment of modern tourist information centres at key natural and cultural heritage sites across the country is crucial. These facilities will improve visitor reception, provide tailored travel guidance, and increase local tourism expenditure by highlighting regional attractions.

5.2.2.4. **Value-Addition in Wool and Mohair Processing:** The Government must consider investing heavily in domestic wool and mohair processing facilities, to facilitate local value addition and industrial production. Establishing indigenous manufacturing capacity, such as the domestic production of iconic Seanamarena blankets, will retain economic value within the country, generate sustainable industrial employment, and boost export revenue.

5.3. GROUP 1

5.3.1. Expenditure

5.3.1.1. **Administrative Decentralisation and Rural Infrastructure:** Enactment and implementation of the Decentralisation Bill are urgently required, to establish a robust legal framework for devolving operational authority and capital budgets to local government structures. Expanding administrative and financial capacity at the council level is essential to empower local authorities, expedite priority capital projects, and ensure the efficient construction and long-term maintenance of rural feeder roads.

5.3.1.2. **Urban Transport and Logistics Infrastructure:** Priority investment should be directed towards expanding and upgrading the road networks in Maseru. Modernising urban transport corridors will alleviate congestion, reduce logistics costs, and facilitate seamless domestic and cross-border commercial activity.

5.3.1.3. **Youth Development, Sports Industry, and Substance Abuse Mitigation:** There is a need for construction of recreational parks, to curb substance abuse among the youth. Additionally, sports should not only be considered for recreational purposes, but should be seen as a way of life, from which Basotho can earn a living. This can be realised through collaboration with the private sector, to align with the NSDP goal of private-sector-led economic growth.

5.3.1.4. **Agro-Processing and Local Value Addition:** The agricultural sector must transition from primary production to domestic value addition. Developing local processing facilities by converting raw produce such as tomatoes into tomato sauce and processing maize into pasta, will retain economic value in the country, reduce import dependency, and create manufacturing jobs.

5.3.1.5. **Resuscitation of the Semonkong Youth Centre:** Targeted capital expenditure is required to rehabilitate the Semonkong Youth Centre, restoring its former operational capacity as a fully equipped hub for youth empowerment, skills training, and community engagement.

5.3.1.6. **Public Sanitation and Facility Management:** There is a need for proper sanitation facilities including clean water access and public toilet facilities in market centres and rural communities, to improve civic health standards.

Additionally, dedicated administrative personnel should be appointed to manage the maintenance, cleanliness, and security of youth facilities.

5.3.1.7. **Gravity-Based Agricultural Irrigation:** Maseru is endowed with water, and these water resources should be harnessed through the construction of gravity-fed irrigation systems. Utilizing gravity-based distribution will minimise operational energy costs, boost crop yields, and ensure year-round climate-resilient farming for local producers.

5.3.2. Revenue and Tourism Enhancement

5.3.2.1. **Revision of Rates and Statutory Fees:** The Government should undertake a comprehensive review and upward adjustment of rates, licensing fees, and service charges. Modernising these fee structures to reflect current economic conditions will broaden the local revenue base and enhance self-sufficiency.

5.3.2.2. **Tollgate Infrastructure and Park Development**: Strategic capital investment should be directed towards the erection of tollgates along major transport corridors to generate continuous road-user revenue for maintenance. Concurrently, the construction of managed public and recreational parks will enhance urban aesthetics, boost domestic tourism, and create additional revenue streams through entrance and amenity fees.

6. Conclusion

6.1. To sum-up, the presentations highlighted a cohesive pathway for bridging policy gaps, accelerating rural and urban infrastructure development, and establishing fiscal self-reliance at both local and national levels. The priorities were outlined as follows:

6.1.1. **Strategic Alignment Across Governance, Infrastructure, and Revenue**: The group presentations demonstrate a unified, strategic consensus on transforming district governance, socio-economic infrastructure, and fiscal sustainability across Lesotho. Across all three working groups, the outcomes establish that sustainable rural and urban development rests upon three interdependent pillars: administrative decentralisation, strategic capital investment in economic and social infrastructure, and localised revenue generation.

6.1.2. **Legislative Empowerment and Priority Infrastructure Development:** At the core of the proposed framework is the urgent enactment and implementation of the Decentralisation Bill. Devolving operational authority and capital budgets to local authorities provides the structural foundation required to address long-standing service delivery gaps. This administrative empowerment directly enables the execution of priority infrastructure projects, including the expansion of rural electricity connection, public streetlighting to combat crime, gravity-led irrigation systems for climate-resilient agriculture, and the upgrading of unpaved feeder roads. Modernising both rural connectivity and Maseru's urban transport corridors forms a vital prerequisite for lowering transport costs, easing trade, and connecting local producers to broader markets.

6.1.3. **Industrial Agro-Processing and Inclusive Social Development:** Simultaneously, the recommendations link rural primary production to industrialisation and commercial development. Transitioning from primary agriculture to domestic agro processing, such as processing tomatoes, maize, wool, and iconic *Seanamarena* blankets locally, retains economic value, curtails import dependency, and generates industrial employment. To support this economic transition, the presentations emphasize human capital development through two targeted social interventions: empowering the youth and integrating older adults. Upgrading youth resource centres (such as Semonkong), expanding digital broadband, and developing sports into a commercial industry offer viable economic pathways that mitigate youth unemployment and substance abuse. Concurrently, recruiting and remunerating Village Health Workers aged 60 to 69 addresses an urgent social policy gap between civil service retirement and state pension eligibility, strengthening primary healthcare delivery while offering income security to older citizens.

6.1.4. **District Revenue Generation and Fiscal Sustainability**: Finally, the proposals outline a self-sustaining fiscal model that links infrastructure investment directly to revenue enhancement. Capital investments in structured urban market centres, modern sanitary facilities, and tourist information hubs improve civic health while simultaneously creating sustainable revenue through user fees, stall rentals, and increased tourism expenditure. Upwardly revising statutory fees, modernising pasture management penalties for illegal grazing, introducing strategic tollgates along major transport corridors, and leveraging digital assets for billboard advertising will diversify local revenue streams. Collectively, these consolidated measures establish a cohesive blueprint that bridges governance, infrastructure, social inclusion, and economic growth.

6.2. In conclusion, the actionable insights generated from the group discussions provide a robust foundation for targeted policy implementation and strategic budget allocation. Translating these recommendations into practice will require coordinated execution between local councils, central government ministries, and private sector partners. By prioritizing legislative reform, value-addition in primary sectors, and sustainable civic financing, Lesotho can foster resilient local economies, enhance public service delivery, and improve the overall standard of living for all citizens.

ANNEX 6: BEREA ACTIVITY REPORT

1. Introduction

1.1. The 2028 pre-budget consultations meeting was held on June 05, 2026, at Blue Mountain Inn. Funded by the Government of Lesotho in partnership with UNICEF, these sessions aimed to improve participatory budgeting by involving citizens, local government representatives, community councillors, traditional chiefs, civil servants from the district, the private sector, and civil society organizations. This cycle saw a significant increase in attendance from diverse youth groups. The forums focused on reporting the 2025/26 budget performance, outlining key allocations for the 2026/27 budget, and gathering public input for the 2027/28 fiscal year's strategic policy direction.

1.2. Officials from the Department of Budget facilitated the proceedings, collaborating with representatives from the Accounts and Administration departments. The Director of Planning from the Ministry of Local Government also attended.

2. REMARKS

2.1. District Council Secretary (DCS)

2.1.1. The District Council Secretary (DCS), Mr. Paseka, opened the session by thanking the Ministry of Finance for conducting district-level consultations to gather public input for the upcoming national budget. He expressed gratitude for the inclusion of the Berea district in these consultations, ensuring the district is not left behind in national development initiatives. Additionally, he thanked all attendees for turning out despite the freezing weather conditions, wishing those travelling home the following day safe journeys. In conclusion, he officially declared the meeting open and wished the participants fruitful deliberations.

2.2. Ministry of Finance and Development Planning

2.2.1. The Budget controller (BC), on behalf of the MFDP appreciated the presence of different representatives (youth, Local government, business community, and Government officials). She also expressed her gratitude to UNICEF and FNB for the continued support of the consultations. She then stated the purpose of the meeting, which is the review of the previous year’s budget performance, an overview of the current year’s budget and finally the policy direction for the subsequent year.

2.2.2. She emphasised the importance of the consultations towards the advancement of the country, urging the audience to participate freely and earnestly. She further stated that the foot and mouth disease, the middle East war and the recent floods erupted after preparation of the current year's budget, therefore will affect its execution. She reiterated on the negative impact of the war, which led to inflated fuel prices which necessitated a government subsidy, stating that it is already an indication of the need to reprioritise the budget. She urged the audience to take heed of weather warnings, which are now communicated in advance, and to adopt climate-resilient agricultural practices. In concluding, the BC stated that breakaway groups will be formed, from which five priority needs of the district and different ways in which the Government can enhance revenue collection is expected.

2.3. Ministry of Local Government and Chieftainship, Home Affairs and Police

2.3.1. Director Planning Mrs. Tšoenene thanked the Ministry of Finance for granting the Berea district this vital opportunity to convene alongside local government representatives. She expressed gratitude to the Department of Budget for consistently including the districts in annual budget estimation planning. Mrs. Tšoenene emphasised that the people of Berea, Lioli, Matšekha, and Maroala communities must ensure their specific needs are firmly integrated into the national strategic frameworks that shape the fiscal estimates.

2.3.2. She further asserted that once the consultation concludes, the local government authorities must immediately begin drafting and prioritising their development plans without delay. In addition, Mrs. Tšoenene highlighted that district engineers must design road infrastructure with climate change adaptation in mind, ensuring future road networks are resilient against heavy flooding and water erosion.

3. GENERAL DISCUSSIONS

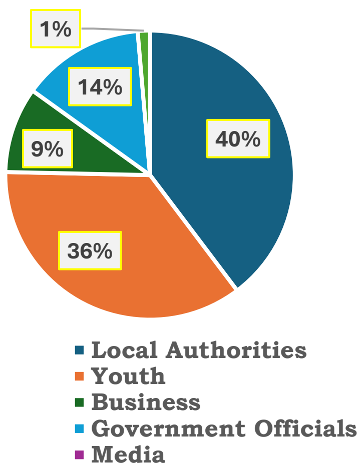
3.1. There seems to be no preparedness strategies in place for times when outbreaks like the foot and mouth disease erupt, though these outbreaks have struck before.

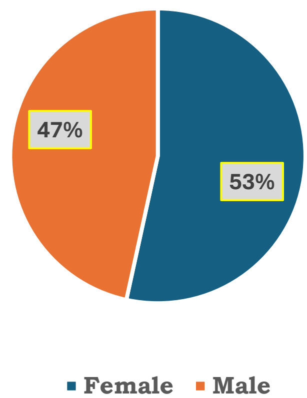
3.2. Councillors are considered representative of the communities; however, some ministries conduct development works in their communities without considering or informing them.

3.3. The requirements for accessing funds earmarked for business development are stringent, as even when experts have reviewed the submitted proposals, they are still turned down and flagged as ambitious. This may be owing to the lack of expertise from the banks' side, in the field for which the funds are requested.

3.4. Banks at which the earmarked funding is, should mobilise human resources to communities, especially remote areas, to give guidelines to the legible recipients who otherwise do not have access to such information.

4. STAKEHOLDER REPRESENTATION ILLUSTRATION





5. GROUP DISCUSSIONS

5.1. GROUP 2

5.1.1. Expenditure

5.1.1.1. **Electricity Connection:** Extension of the main power grid to off-grid villages and integration of solar energy generation to guarantee stable household connectivity is advised. This will power local businesses and improve evening study conditions for students.

5.1.1.2. **Community Access Roads and Streetlights:** Paving of key village access routes and installation of solar-powered streetlights to improve transportation links and nighttime safety. This will facilitate seamless emergency services access and enable safer commuting for residents after dark.

5.1.1.3. **Water Supply in Villages:** Access to clean, reliable, and accessible water remains a critical developmental necessity across the Berea District, where many rural and peri-urban communities still rely on seasonal rivers, unprotected springs, and vulnerable water sources. Securing a sustainable water supply across Berea is essential to safeguard public health, improve daily living conditions, reduce time spent fetching water, and build long-term community resilience.

5.1.1.4. **Accessible Healthcare Centres:** Construction of fully equipped localised health clinics staffed with qualified medical personnel to deliver primary and emergency care services is essential. This eliminates long-distance travel for vulnerable populations and ensures rapid responses during medical emergencies.

5.1.1.5. **Construction of TVET institutions:** Establishment of a technical vocational institution in partnership with civil society organizations and universities to offer practical trade certifications is essential. This facility will equip youth with market-aligned job skills, boost local employment, and foster community entrepreneurship.

5.1.1.6. **Sports Facilities for Youth Development:** construct modern, multi-purpose sports complexes to provide constructive recreational outlets that actively deter youth from drug abuse. This environment will foster healthy lifestyles, teamwork, and talent discovery while offering safe community gathering hubs.

5.1.2. Revenue and Tourism enhancement

5.1.2.1. **Regulation for Local Crusher Stone Quarrying:** The district possesses abundant crusher stone deposits; however, local traders extract these mineral resources without paying any levies, yielding no financial benefit or revenue for the district. Regulatory frameworks and enforcement mechanisms need to be established to license quarrying operations, collect revenue from mineral extraction, and ensure these natural resources contribute directly to the district's economic growth.

5.1.2.2.

5.1.2.3. **Establishment of a Municipal Recycling Enterprise:** construction of a waste processing plant and buy-back centre in Berea is advised, to eliminate widespread littering and pollution across Teyateyaneng and surrounding areas. The facility will enable community members and local businesses to sell sorted recyclable materials for cash, while generating sustainable district revenue and driving environmental cleanliness through a circular economy.

5.1.2.4. **Commercial Water Bottling:** Since the district possesses abundant water sources, the Government should leverage Berea’s rich natural water reserves by establishing a modern water bottling plant. This initiative creates sustainable job opportunities for local residents, fosters domestic manufacturing capacity, and diversifies the district’s economic revenue base.

5.1.2.5. **Revitalisation of the Clay Products Manufacturing Industry:** The Government should capitalise on the district’s high agricultural yield of wool and mohair through establishment of a local processing and yarn spinning facility. By processing raw fleece locally into high-value yarn for domestic and export markets, this initiative will drive rural industrialisation, create skilled manufacturing jobs, and secure maximum economic value for local farmers and the district.

5.1.2.6. **Resuscitation of the Berea Egg Circle Facility:** To support small-scale producers, the Government should resuscitate the district egg circle infrastructure, to provide poultry farmers with a central hub for egg collection, cold storage, grading, and marketing. Restoring this facility bridges the gap between local producers and commercial buyers, secures reliable market access, creates agricultural employment, and retains poultry sector revenues within the district.

5.1.2.7. **Revitalisation of the Clay Products Manufacturing Industry:** Berea is endowed with rich clay deposits that present a direct opportunity to revive the historic ceramics and pottery industry, building on the legacy of the former Kolonyama enterprise. Establishing a modern clay processing and manufacturing plant creates industrial employment, restores district manufacturing capabilities, and generates sustainable revenue for the district through local and export sales of ceramic goods.

5.1.2.8. **Establishment of a Local Organic Manure Processing Plant:** To address the growing demand for sustainable agriculture while aligning with the objectives of the NSDP II and supporting food security, the Government should establish a local organic manure processing plant to replace synthetic, chemical-based fertilisers. Processing local livestock and organic waste into nutrient-rich organic fertiliser restores soil health, lowers production costs for farmers, creates green agricultural jobs, and drives sustainable economic growth within the district.

5.2. GROUP 3

5.2.1. Expenditure

5.2.1.1. **Industrial Mass Production Capacity Building Initiative:** to enhance local industrial productivity, the Government must invest in targeted capacity-building and technical skills programmes for mass production across key economic sectors. Equipping local enterprises with advanced manufacturing competencies will accelerate economic development, improve competitiveness, and ensure long-term commercial sustenance for the district.

5.2.1.2. **Renewable Wind and Solar Energy Generation Project:** Berea possesses a high altitude and favourable geographical terrain suitable for constructing wind and solar power generation infrastructure. Expanding local renewable energy capacity will increase the provision of a clean power supply, reduce reliance on external electricity grid, and support district-wide industrial growth.

5.2.1.3. **Road Infrastructure and Bridge Construction Programme:** Upgrading of critical rural road networks and bridges to connect key farming communities directly with commercial trade hubs is essential. Improving district-wide transport infrastructure will minimise post-harvest losses, lower distribution costs for local farmers, and drive sustainable economic activity across agricultural value chains.

5.2.1.4. **Establishment of Dedicated Piggery Commercial Markets:** there is a need for establishment of structured commercial markets and processing hubs to support the production, aggregation, and sale of local piggery products. Establishing these dedicated market platforms will guarantee fair trade opportunities for livestock farmers, promote value-chain expansion, and boost local agribusiness revenues.

5.2.1.5. **Dam Construction for Water Conservation and Irrigation:** The Government must heavily invest in the construction of multi-purpose dams, to harness and store water for agricultural resilience and large-scale irrigation systems. Expanding water storage infrastructure will safeguard crops during dry periods, increase annual agricultural yields, and secure long-term food stability across the district.

5.2.1.6. **Regulation and Commercialisation of Sand Extraction:** Phuthiatsana and neighbouring community councils along the Phuthiatsana River should formalise through local government by-laws the commercialisation of sand extraction, which currently yields no broader community benefit due to unregulated extraction. Enacting the Decentralisation Bill and developing a levy framework is essential to ensure fair revenue generation, creation of local employment, and direct extraction fees towards community development projects across the district.

5.2.1.7. **Expansion of Primary Healthcare Clinics in Underserved Areas:** The Government must address the severe shortage of primary healthcare facilities in Berea, by constructing new clinics in remote and hard-to-reach areas. Expanding clinic coverage reduces long travel distances for vulnerable rural populations, improves access to essential medical services, and strengthens primary healthcare delivery across the district.

5.2.2. Revenue And Tourism Enhancement

5.2.2.1. **Cannabis Legalisation and Production**: The Government should consider legalising and scaling up the production of Lesotho's indigenous cannabis (*matekoane*) under an inclusive, non-prohibitive licensing structure, as this will generate revenue through tax collection, export levies, and formalised enterprises while lowering enforcement costs. Additionally, commercialising will unlock significant medical benefits while creating a sustainable source of economic growth.

5.2.2.2. **Sandstone Processing and Development:** Berea is richly endowed with high-quality sandstone reserves that can be processed into commercial building blocks, architectural tiles, and decorative products, thereby stimulating local economic growth and job creation if residents are equipped with necessary technical training.

5.3. GROUP 1

5.3.1. Expenditure

5.3.1.1. **Industrial Development and Agro-Processing:** The construction of manufacturing factories and agro-processing plants, specifically for operations such as converting local dairy into cheese and packaging them is required to curb rising unemployment across the densely populated Berea district. Expanding these processing capabilities locally will directly address the agricultural surplus from surrounding rural communities while establishing critical economic opportunities for the resident workforce.

5.3.1.2. **Youth Empowerment and Sports Infrastructure**: Construction of centralised sporting facilities should be established in 'Mamathe to serve as an accessible recreational hub for the entire district. Furthermore, the existing 'Mamathe youth centre requires urgent electrification, reliable running water, public Wi-Fi access, and updated library resources to effectively deliver its training programmes on cooperative management and youth-led business funding schemes.

5.3.1.3. **Water Supply and Basic Sanitation**: There is a pressing need to expand reliable, piped water supply and construct modern household sanitation facilities across all local community councils in Berea. Improving this basic infrastructure is vital for public health, particularly in rural villages where pit latrines and communal water access remain inadequate.

5.3.1.4. **Tertiary Education Facilities:** A dedicated tertiary education institution must be constructed within the district, to provide post-secondary vocational and academic opportunities. Establishing local higher education facilities will reduce the burden on students who currently must commute long distances to Maseru or forgo further education entirely.

5.3.1.5. **Pedestrian Footbridge Infrastructure:** The construction of sturdy footbridges across rivers and hazardous dongas is essential to guarantee safe daily movement for residents and school pupils. These crossings are particularly critical during the summer rainy season, when overflowing rivers routinely obstruct pedestrian access to local schools and essential services.

5.3.1.6. **Inclusive and Accessible Public Facilities:** New youth centres must be established throughout Berea, while existing community infrastructure requires comprehensive redesigning, to ensure full accessibility for persons with disabilities. Retrofitting these public spaces with ramps, accessible facilities, and inclusive resources will ensure that vulnerable community members can fully participate in civic and developmental programmes.

5.3.1.7. **Farm-Feed and Tilling Subsidies, and Resource Centres:** To safeguard local food security across the Berea district, targeted government intervention is necessary to subsidise the surging costs of animal feed and tractor-tilling operations. Modernising and re-equipping regional Agricultural Resource Centres will enable extension officers from the Ministry of Agriculture, Food Security and Nutrition to deliver essential training and practical technical guidance to smallholder farmers throughout the district's rural councils.

5.3.2. Revenue and Tourism enhancement

5.3.2.1. **Tourist Attraction Infrastructure:** Perimeter fencing must be erected and access roads constructed to connect key historical and cultural tourist sites, such as Malimong and Mahlatsa, to the primary district transport network. Improving accessibility and security at these locations will safeguard cultural heritage assets while attracting domestic and international visitors, to boost local heritage tourism.

5.3.2.2. **Commercialisation of Sandstone Reserves:** Berea possesses extensive high-quality sandstone deposits that represent a vital economic asset for commercial extraction, processing, and export. Establishing structured processing initiatives will enable the district to capitalise on local building materials, generate sustainable municipal revenue, and create industrial jobs.

5.3.2.3. **Regulation and Governance of Sand Mining:** The commercial extraction and sale of river and pit sand across the district requires robust legislative frameworks and strict regulatory oversight. Implementing formal governance laws will curb unsustainable sand mining practices, prevent environmental degradation of local riverbeds, and capture essential tax revenues for local councils.

6. Conclusion

6.1. To sum-up, the comprehensive proposals presented by the groups outline a vital, multi-faceted roadmap for the socio-economic transformation of the Berea District. Grounded in the immediate needs of local communities and aligned with broader national development objectives, these strategies address long-standing structural challenges across the district. They include;

6.1.1. Infrastructure, Connectivity, and Basic Services: Across all three presentations, expanding essential infrastructure and basic services emerged as the primary prerequisite for driving socio-economic development in the Berea District. Consequently, the groups prioritised the transition from unprotected springs and pit latrines to reliable, piped water systems and modern household sanitation facilities throughout rural and peri-urban councils. Parallel to water security, ground transport links require immediate investment to ensure safe daily mobility. This can be achieved by paving primary village access routes, installing solar-powered streetlights to enhance nighttime safety, and constructing sturdy pedestrian footbridges across river channels and hazardous dongas, a crucial measure for school children during the summer rainy season. Furthermore, to support both household connectivity and economic activity, the district's energy strategy combines main grid extensions with localised solar micro-grids, while multi-purpose storage dams will harness water reserves to enable large-scale irrigation and cushion farming communities against seasonal drought.

6.1.2. Economic Diversification and Local Revenue Generation: Building upon this infrastructural baseline, the presentations outlined clear avenues to transform Berea's abundant natural resources and historic industrial assets into sustainable district revenue streams. First, establishing robust regulatory frameworks and licensing levies for natural resource extraction, specifically high-quality sandstone, crusher stone, and riverbed sand along the Phuthiatsana River, will secure critical tax revenues for local councils while curbing severe environmental degradation. Industrial revitalization further strengthens this revenue base by restoring historic manufacturing sectors. Key initiatives include re-establishing a modern clay and ceramics plant modelled on the historic Kolonyama enterprise, constructing a local wool and mohair processing facility to spin high-value yarn, and setting up commercial water bottling operations. Finally, environmental management and emerging markets offer direct financial incentives; establishing a district recycling enterprise in Teyateyaneng will eliminate litter by offering cash buybacks for sorted materials, while formalising indigenous cannabis production under a regulated licensing regime will unlock significant tax levies and export growth.

6.1.3. Agriculture, Agro-Processing, and Food Security: Together with resource commercialisation, protecting regional food security requires combining direct state intervention with strategic downstream value addition. To cushion smallholder farmers against surging input expenses, the Government must introduce targeted subsidies for tractor-tilling operations and livestock feed. However, without technical empowerment, financial aid alone is insufficient; thus, Agricultural Resource Centres across Berea must be modernised and fully equipped to enable Ministry of Agriculture extension officers to deliver up-to-date training directly to rural communities. To maximise earnings from this boosted productivity, investment should be directed toward localised agro-processing facilities that convert raw output into high-value commercial goods, such as converting local milk yields into cheese. Supporting this agricultural ecosystem further involves resuscitating the Berea Egg Circle facility for centralized grading and cold storage, establishing dedicated piggery aggregation markets, and setting up an organic manure processing plant to replace expensive imported chemical fertilisers with local organic waste.

6.1.4. **Human Capital, Public Health, and Social Inclusion:** A resilient agricultural and industrial economy depends on a healthy, skilled, and inclusive workforce. To achieve this, the presentations called for constructing fully equipped primary healthcare clinics in remote, hard-to-reach areas, thereby eliminating the burden of long-distance travel for vulnerable rural populations during medical emergencies. In terms of educational development, establishing Berea's first dedicated tertiary institution alongside specialised technical and vocational education and training (TVET) hubs will provide youth with market-aligned trade certifications. These educational opportunities are further reinforced by targeted youth development programmes; constructing modern multi-purpose sports complexes provides constructive outlets that deter substance abuse, while fully equipping the 'Mamathe Youth Centre with electricity, running water, Wi-Fi, and library resources ensures young entrepreneurs can access business capital and cooperative training. Crucially, to guarantee that these developmental gains reach all citizens, all new public infrastructure must adopt universal design principles, while existing community centres require comprehensive retrofitting with ramps and accessible facilities to ensure full civic inclusion for persons with disabilities.

6.1.5. **Heritage Tourism Infrastructure:** Complemented by these social and economic investments, heritage and cultural tourism represents a high-potential revenue stream that currently remains underutilised. Unlocking this sector requires direct public investment into the physical security and transport links surrounding landmark historical sites, particularly Malimong and Mahlatsa. Erecting perimeter fencing around these assets will safeguard cultural heritage from encroachment and vandalism, while constructing dedicated, paved access roads will seamlessly connect these historic sites to the main district transport network, attracting domestic and international visitors to boost the local economy.

6.2. Ultimately, transitioning these district-level priorities from strategic proposals into tangible outcomes will require coordinated action, decisive policy implementation, and sustained public investment. Prioritising these integrated measures will not only elevate the living standards of rural and peri-urban communities across the district, but also position Berea as a thriving industrial, agricultural, and cultural contributor to the national economy of Lesotho.

ANNEX 7: MOHALE'S HOEK ACTIVITY REPORT

1. Introduction

1.1. The 2028 pre-budget consultations meeting was held on June 12, 2026, at Hotel Mount Maluti. Funded by the Government of Lesotho in partnership with UNICEF, these sessions aimed to improve participatory budgeting by involving citizens, local government representatives, community councillors, traditional chiefs, civil servants from the district, youth, the private sector, and civil society organizations. This cycle saw a significant increase in attendance from diverse youth groups. The forums focused on reporting the 2025/26 budget performance, outlining key allocations for the 2026/27 budget, and gathering public input for the 2027/28 fiscal year's strategic policy direction.

1.2. Officials from the Department of Budget facilitated the proceedings, collaborating with representatives from the Accounts and Administration departments. The Director of Planning from the Ministry of Local Government also attended.

2. REMARKS

2.1. District Administrator

2.1.1. DA representative 'M'e 'Mapheello welcomed all the participants, including chiefs, councilors, and youth representatives, business community as well as civil servants. She encouraged participants to actively share their communities' needs throughout the day. She noted that combining the unique perspectives of both chiefs, councilors and other stakeholders provides a complete picture of local challenges. Lastly, she thanked the Ministry of Finance and Development Planning for making the national budgeting process more transparent and inclusive. She declared the meeting open and wished fruitful deliberations.

2.2. Ministry of Finance and Development Planning

2.2.1. In her remarks on behalf of the MFDP, the Budget Controller (BC) appreciated the different representatives in attendance, emphasizing the importance of their contributions to the country's progress. She stated that the meeting's purpose was to review previous budget performance, outline the current budget, and gather policy advice for the upcoming financial year. She highlighted the impact of the recent Middle East war, the foot-and-mouth disease, and floods, urging attendees to follow all official warnings regarding animal movements and extreme snow conditions to prevent unnecessary loss of life.

2.2.2. She then explained that breakaway groups would be formed to identify five priority needs for the district, alongside specific tourism, and revenue growth strategies. A representative from each group would later present these ideas to the full audience. In closing, the BC encouraged everyone to participate openly and sincerely to help improve the district.

3. GENERAL DISCUSSIONS

3.1. The opportunities meant for the youth seem to leave out other people who have long completed their tertiary education but have not had jobs, therefore falling outside the required age category (18-35) for qualification of the funding opportunities tailored for the youth.

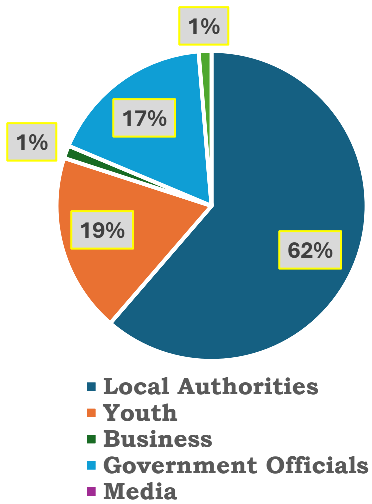
3.2. There is a need for community access roads in Thekiso-Liphiring-Takalatsa. The lack of reliable access roads in the district continues to severely restrict the mobility of residents, creating physical isolation from essential administrative, economic, and social infrastructure. During periods of adverse weather, the road becomes virtually impassable for standard motor vehicles, hindering basic travel and public transport services.

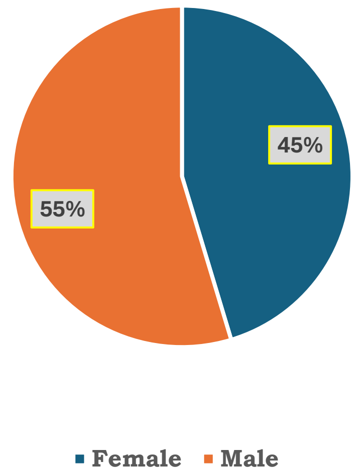
3.3. Previously, during public consultation meetings, printed materials and pamphlets highlighting key budget points were distributed. These documents were instrumental in improving public understanding and enabling attendees to share vital information with community members who could not attend due to attendance limits. Subject to budgetary constraints, the Ministry of Finance should reinstate the publication and distribution of these informational pamphlets.

3.4. To ensure a truly inclusive budget that addresses the needs of all sectors of society, civil society organisations (CSOs) should play an active role throughout the financial cycle. The official budget calendar and process should formally incorporate civil society organisations, to strengthen public participation and enhance overall budget oversight.

3.5. Currently, government financial assistance programmes predominantly target women and youth, inadvertently excluding a substantial portion of the population. Citizens aged between 36 and 69 appear to be disadvantaged, as there are no targeted government support initiatives available to them. Financial support schemes should be broadened to cater to the 36–69 age demographic to foster equitable socio-economic support across all age groups.

4. STAKEHOLDER REPRESENTATION ILLUSTRATION





5. GROUP PRESENTATIONS

5.1. GROUP 1

5.1.1. Revenue

5.1.1.1. Tourism destinations like Motlejoeng, Morifi, Qhoasing Falls, Thaba-Mokhele, and Ntoa-Hae requires urgent infrastructure upgrades, such as better access roads and visitor centers, alongside targeted marketing, to transform these unique natural and historical landmarks into sustainable drivers of local employment and regional economic growth.

5.1.1.2. Establishing a robust legal framework to enforce taxation and licensing fees on sand mining and quarrying activities is vital in ensuring that commercial operators contribute fairly to district budgets. The revenue generated from these environmental regulations can then be directly reinvested into rehabilitating landscapes damaged by heavy excavation, protecting finite natural resources while securing a stable, long-term funding stream for comprehensive district development.

5.1.2. Expenditure

5.1.2.1. **Construction and Equipment of Youth Centres:** The development and full architectural fitting of dedicated community facilities designed to support youth activities and welfare is critical. These centres need to be supplied with essential modern equipment to enhance skills development and recreational programmes for local residents.

5.1.2.2. **Maintenance of roads:** the Government must prioritise the systemic repair, resurfacing, and ongoing structural management of the national roads and road network. This continuous upkeep will ensure safer transit conditions and preserve infrastructure integrity against vehicular wear and environmental deterioration.

5.1.2.3. **Fencing of the racecourse and entrance fee charging:** The installation of secure perimeter fencing around the racecourse alongside the establishment of an official admissions and ticketing framework is advised. This security measure will regulate crowd access while establishing a viable revenue generation model to support venue operations.

5.1.2.4. **Electricity connection and streetlights from Ha Makhohloana to Thaba-Bosiu**: The formal expansion of the main electrical grid and streetlighting network along the thoroughfare connecting Ha Makhohloana to Thaba-Bosiu. This development improves nocturnal visibility, enhances public safety, and extends reliable utility coverage to adjacent rural communities.

5.2. GROUP 2

5.2.1. Expenditure

5.2.1.1. **Construction of a Centralised Government Complex:** The Government must invest heavily in the construction of a unified administrative complex to house all district government ministries that are currently geographically dispersed. This centralisation will streamline inter-departmental operations, enhance administrative efficiency, and improve public access to essential government services.

5.2.1.2. **Development of Traffic Management and Public Lighting Infrastructure:** Construction of a traffic circle near the old police station, complemented by the installation of functional streetlights and high-mast lights is advised. These structural upgrades will improve nighttime visibility, traffic management and enhance public safety throughout the surrounding area.

5.2.1.3. **Establishment of STEM Education Facilities:** There is a need for the establishment of Science, Technology, Engineering and Mathematics (STEM) centres, and the proposal is to transform the currently unoccupied industrial factory shells and turn them into dedicated centres. Reallocating these vacant structures will provide the government with a cost-effective solution to advance local technical education and foster specialised workforce skills.

5.2.1.4. **Construction of Seaka-Senqunyane Road**: The construction of the transit corridor between Seaka and Senqunyane is highly recommended, to establish an efficient transportation link, enhance district accessibility, and bolster local commerce. This critical infrastructure investment will significantly improve regional connectivity, reduce travel time, and stimulate economic movement between the two communities.

5.2.1.5. **Construction of Multi-Sport Youth Recreational Centres:** The development of modern recreational and athletic facilities equipped for various sporting disciplines is advised. Providing these dedicated community spaces serves as a proactive social intervention to promote healthy lifestyles and curb substance abuse among young people.

5.2.2. Revenue and Tourism enhancement

5.2.2.1. **Promotion and Perimeter Fencing of Local Tourism Sites:** The strategic promotion and formal development of key heritage and natural attraction sites across Mohale's Hoek, specifically Motlejoeng, Ketane Waterfalls, Liqhili-qhili, and Morifi, to stimulate regional tourism and economic growth. Crucially, securing these sites with protective perimeter fencing will preserve local assets, ensure visitor safety, and establish effective access management for the district.

5.2.2.2. **Construction of a Community Hall:** The development and construction of a multi-purpose community hall to serve as a central civic asset for the residents of Mohale's Hoek. This facility will provide a versatile platform for public gatherings, municipal administrative consultations, and socio-cultural events, thereby strengthening community cohesion and governance within the district.

5.3. GROUP 3

5.3.1. Expenditure

5.3.1.1. **Transport Infrastructure and Accessibility:** Construction of main transport networks and community access roads is essential to enhance regional connectivity. This critical infrastructure will facilitate the efficient movement of goods and services whilst significantly improving public access to vital socioeconomic hubs.

5.3.1.2. **Climate Resilience and Water Management:** The strategic construction of reservoirs and dams is vital for optimising water conservation and supporting agricultural irrigation systems. These facilities will serve as a crucial buffer to safeguard food security and sustain local livelihoods during prolonged periods of drought.

5.3.1.3. **National Energy Security and Strategic Reserves:** Establishing a robust national fuel reserve is imperative to guarantee a continuous and stable supply of energy resources. This precautionary measure will safeguard the domestic economy against severe supply chain disruptions precipitated by geopolitical conflicts, such as recent instabilities in the Middle East.

5.3.1.4. **Youth Development and Civil Society Collaboration:** The establishment of dedicated youth centres and clubs is required to encourage civic engagement and streamline information dissemination among young people. To maximise impact, the Government should actively partner with non-governmental organisations (NGOs) to modernise and expand the existing library facility donated by Development for Peace Education (DPE) in the Khoelenya Community Council.

5.3.1.5. **Rural Electrification and Educational Modernisation:** Prioritising the electrification of schools in remote regions is necessary to alleviate severe overcrowding in existing urban and electrified educational facilities. Concurrently, the installation of state-of-the-art computer laboratories will foster essential digital literacy and elevate academic standards across the student population.

5.3.2. Revenue and tourism enhancement

5.3.2.1. **Strategic Implementation of Tollgates:** The strategic installation of tollgates across the primary road network is vital and will establish a sustainable and funding mechanism for national highway maintenance. This revenue generation model will ensure that the financial burden of infrastructure upkeep is equitably distributed across regular road users.

5.3.2.2. **Municipal Revenue Generation and Traffic Management:** The implementation of regulated, paid parking schemes in high-density areas will effectively mitigate urban traffic congestion and optimise vehicle turnover. Furthermore, the capital accrued from these parking fees will provide local councils with essential revenue to reinvest in community infrastructure projects.

5.4. GROUP 4

5.4.1. EXPENDITURE

5.4.1.1. **Strategic Expansion of Urban and Rural Bitumen Road Networks**: The systematic upgrading and paving of primary roads across both urban centres and remote rural areas is a core developmental priority. Modernising these critical transit routes will enhance transport efficiency, stimulate regional trade, and bridge the socioeconomic divide affecting isolated communities.

5.4.1.2. **Implementation of Universal Grid Infrastructure and Rural Electrification**: The comprehensive expansion of the national electricity distribution network is required to achieve complete and equitable energy coverage across all households and public institutions. Securing reliable power supplies will stimulate local industrial activity, modernise household living standards, and significantly curtail dependency on unrefined, carbon-intensive energy sources.

5.4.1.3. **Refurbishment and Capacity Expansion of Vocational Training Centres:** The thorough structural refurbishment and operational upscaling of vocational training institutions is critical in addressing local youth unemployment. Upgrading instructional facilities and introducing advanced technical workshops will equip the local workforce with specialised marketplace skills necessary to drive industrial growth.

5.4.1.4. **Optimisation of Agricultural Supply Chains and Production Marketing Strategies:** The enhancement of the statutory framework regulating the commercial distribution, storage, and sale of agricultural yields and horticultural produce is paramount. Streamlining supply chains and marketing channels will guarantee fairer marketplace access for smallholders, reduce post-harvest waste, and reinforce sustainable food security across the district.

5.4.1.5. **Development of Targeted Tourism Infrastructure at Morifi and Motlejoeng:** The construction of premium tourism and hospitality facilities at Morifi and Motlejoeng should be strategically modelled after successful domestic leisure hubs, such the Maletsunyane Falls, in Semonkong. By capitalising on existing domestic educational excursions and international arrivals, these developments will successfully convert local natural landmarks into primary drivers of revenue.

5.4.1.6. **Establishment of a Multi-tiered Framework for Decentralised Youth and Information Hubs**: The multi-tiered construction of modern youth centres across district, community, and village levels is essential for fostering regional development. These localised facilities will provide young people with open access to vital educational materials and digital information systems, thereby creating necessary pathways for training, career advancement, and civic participation.

5.4.1.7. **Provision of Inclusive Education Facilities and Elderly Care Homes**: The construction of state-funded special education institutions, alongside the establishment of dedicated residential care homes for senior citizens, represents a vital step towards social equity. Investing in these specialised architectures guarantees robust social security, preserves institutional dignity, and ensures structured support services for the district's most vulnerable demographics.

5.4.2. Revenue and Tourism enhancement

5.4.2.1. **Regulation and Taxation of Natural Resources Extraction:** The statutory introduction of levies on the commercial extraction of natural resources, including sand, quarry stone, and sandstone, is essential. Implementing these resource tariffs will secure vital municipal revenue whilst encouraging sustainable environmental management and the conservation of local geological assets.

5.4.2.2. **Implementation of a Regulated Municipal Paid Parking Scheme:** The introduction of a structured paid parking framework across the central urban commercial district is essential. Managing parking infrastructure through tariff collection will alleviate inner-city traffic congestion, encourage efficient space turnover, and create a reliable revenue stream for municipal road maintenance.

5.4.2.3. **Continuous Maintenance and Upkeep of Tourism Destinations:** The implementation of a scheduled conservation and infrastructure upkeep program across key cultural, historical, and natural attraction sites is critical. Routine preservation ensures visitor safety, maintains high aesthetic standards, and protects the long-term economic viability of the district's tourism sector.

5.4.2.4. **Commercialisation and Industrialisation of Local Water Bottling Enterprises:** The strategic establishment of commercial water bottling plants, to leverage the district's abundant natural freshwater springs and reserves. Developing this resource into an industrial asset will foster local economic diversification, generate regional employment, and supply both domestic and export markets.

6. Conclusion

6.1. To conclude, this comprehensive development framework integrates the strategic proposals from the four group presentations, establishing a unified roadmap to drive sustainable socioeconomic transformation and fiscal independence. The summarized priorities are as follows;

6.1.1. Infrastructure and Connectivity: The unified development strategy prioritises extensive capital expenditure on primary infrastructure to bridge the rural-urban divide. Constructing and paving robust bitumen road networks, including major transit corridors like the Seaka-Senqunyane route, will substantially improve transport efficiency and market access. Furthermore, extending universal electricity generation infrastructure and high-mast public lighting to remote areas will stimulate nocturnal economic activity, enhance community safety, and resolve school congestion by anchoring rural populations.

6.1.2. Economic Diversification through Natural Resources: To achieve long-term fiscal independence, the district must strategically commercialise its unique natural endowments. Establishing state-regulated water bottling enterprises will directly leverage abundant local freshwater springs to supply domestic and export markets. Concurrently, introducing a formal legal framework to license and tax the commercial extraction of sand, quarry stone, and sandstone will generate vital municipal revenue while financing environmental rehabilitation programs for heavily excavated landscapes.

6.1.3. Human Capital and Educational Modernisation: Addressing regional unemployment requires targeted investments in localised skills training, youth engagement, and social equity. Transforming vacant industrial factory shells into specialised STEM centres and refurbishing existing vocational training institutions will cost-effectively equip the workforce with advanced technical skills. These efforts will be reinforced by building decentralised, multi-tiered youth hubs that provide universal digital access, alongside constructing inclusive educational facilities and residential homes to support vulnerable senior citizens.

6.1.4. Institutional Efficiency and Civil Upgrades: Streamlining governance and improving public service delivery necessitates a shift towards centralized and modernised civic infrastructure. Consolidating geographically dispersed ministries into a single, unified Centralised Government Complex will dramatically enhance inter-departmental operations and civic accessibility. This administrative upgrade will be complemented by building multi-purpose community halls to strengthen local governance, while executing targeted traffic management interventions, such as constructing a traffic circle near the old police station, to optimize urban traffic flow.

6.1.5. Sustainable Tourism and Self-Funding Revenue Models: Long-term development will be sustained by transforming natural and historical landmarks into profitable, self-funding assets. Installing protective perimeter fencing, access gates, and modern visitor centres at high-profile destinations like Motlejoeng, Morifi, and various regional waterfalls will safeguard local cultural assets while creating tourism jobs. The ongoing maintenance of this civic and tourist infrastructure will be systematically financed through innovative user-pays mechanisms, including regulated municipal paid parking schemes and strategic highway tollgates.

ANNEX 8: QUTHING ACTIVITY REPORT

1. INTRODUCTIONS

1.1. The 2028 pre-budget consultations meeting was held on June 15, 2026, at Hills View Guest House. Funded by the Government of Lesotho in partnership with UNICEF, these sessions aimed to improve participatory budgeting by involving citizens, local government representatives, community councillors, traditional chiefs, civil servants from the district, youth, the private sector, and civil society organizations. This cycle saw a significant increase in attendance from diverse youth groups. The forums focused on reporting the 2025/26 budget performance, outlining key allocations for the 2026/27 budget, and gathering public input for the 2027/28 fiscal year's strategic policy direction.

1.2. Officials from the Department of Budget facilitated the proceedings, collaborating with representatives from the Accounts and Administration departments. The Director of Planning from the Ministry of Local Government also attended.

2. REMARKS

2.1. Morena ʼMika

2.1.1. In opening the meeting, Chief 'Mika welcomed all attendees and expressed his sincere gratitude to them for prioritizing the event and setting aside their personal and professional commitments to ensure its success. He emphasised that their presence was vital, as the primary purpose of the meeting was to gather strategic inputs to help formulate the 2027/28 budget policy. He urged participants to listen carefully to the presentation on the previous year's budget, noting that it would account for the unused 2025/26 district funds, which are critical, given the district's urgent need for infrastructure development.

2.1.2. Chief 'Mika urged the participants to listen attentively to the presentations and encouraged them to ask questions whenever they required clarity on the financial figures or policy directions. Furthermore, he called for active participation, inviting attendees to contribute constructive recommendations and solutions to drive socio-economic development and foster lasting change throughout the district.

2.2. Ministry of Finance and Development Planning (MFDP)

2.2.1. On behalf of the MFDP, the Budget Controller thanked participants and outlined that the meeting's objectives are to review the 2025/26 budget performance, present the approved 2026/27 budget, sharing highlights from the 2026 Budget Speech, and gather inputs for the 2027/28 Budget Strategy Paper. She clarified that the forum's purpose was not to draft a specific district budget, but rather to collect strategic public input to shape national budget policy and build long-term resilience.

2.2.2. The Budget Controller further highlighted severe economic and environmental shocks affecting Lesotho, including inflation driven by the Iran-Israel conflict, which forced the government to introduce an unbudgeted fuel subsidy of two Maloti (M2.00) per litre from April to June. Additionally, the country faces biosecurity risks from regional outbreaks of Hantavirus, Ebola, and Foot-and-Mouth disease, alongside heavy rains that damaged national roads and bridges despite aiding agriculture. These consultations aim to develop policy measures to mitigate these immediate challenges and protect the country from future external shocks.

2.3. Ministry of Local Government, Chieftainship, Home Affairs and Police

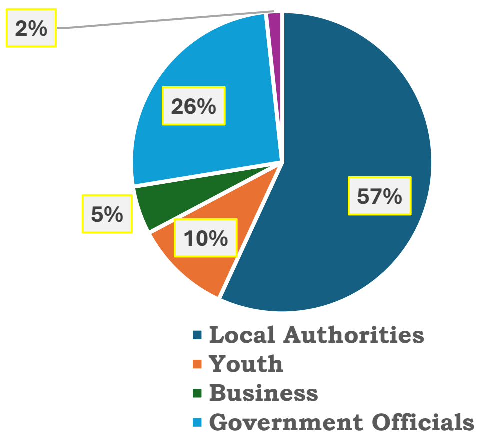
2.3.1. Director Planning Mrs. Tšoenene thanked the Ministry of Finance and the Department of Budget for consistently involving the Quthing district and local government representatives in annual budget estimation planning. She emphasized that Quthing's communities must integrate their specific priorities into the national strategic frameworks guiding fiscal allocations, highlighting the district's multilingual population and the urgent need to address their unique requirements. Moving forward, she urged local government teams to immediately begin drafting and prioritising their development plans following the consultations. Finally, Mrs. Tšoenene instructed district engineers to design road infrastructure with climate change adaptation in mind, to build resilient networks capable of withstanding heavy flooding and water erosion.

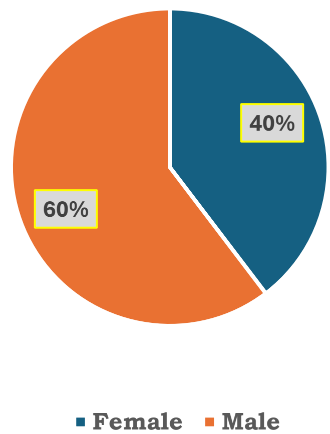
3. GENERAL DISCUSSIONS/EXPECTATIONS

3.1. The centralized structure of public administration severely hinders service delivery, leading to inefficient program execution and inability to fully utilize allocated budgets. To resolve these systemic bottlenecks, it is critical that the Government transitions to full fiscal and administrative decentralisation, empowering local authorities to manage and execute public projects effectively.

3.2. The non-formula-based allocation of waste management funds among local councils requires an urgent review. A previous policy shift consolidated this funding under the urban council, entirely withdrawing resources from community councils. Deprived of funding, these community councils have accumulated large backlogs of unpaid waste management debts. Consequently, uncollected garbage is piling up throughout the district, disrupting local businesses and posing a severe health hazard to residents.

4. STAKEHOLDER REPRESENTATION ILLUSTRATION





5. GROUP PRESENTATIONS

5.1. The meeting officially adopted and maintained the structured participatory methodology utilised during the previous fiscal year's consultations. To facilitate detailed and focused discussions, the participants were divided into dedicated working groups to deliberate extensively on their respective district development priorities, localised challenges, and strategic socioeconomic aspirations. Following these breakout sessions, selected representatives formally presented their consolidated findings to be integrated into the national planning framework.

5.2. Group 1

5.2.1. Revenue

5.2.1.1. **Tourism, Preservation of San Rock Art (Qomoqomong, Ha Ratlali**): The historical San rock art caves located at Qomoqomong, Ha Ratlali must be protected and preserved. To commercialize and sustain this cultural asset, the Government should introduce a formal entrance fee for tourists, generating revenue that can be reinvested into maintaining the site.

5.2.1.2. **Establishment of a District Cultural Village:** The Quthing district is home to diverse ethnic groups sharing interconnected cultural heritages. To preserve this unique cultural identity and boost local tourism, a District Cultural Village should be constructed, to highlight and celebrate the traditions of all ethnic groups within the district.

5.2.1.3. **Rehabilitation of Letša-la-Letsie:** Letša-la-Letsie requires urgent environmental intervention and rehabilitation, as it is currently being choked by invasive aquatic weeds. Clearing these weeds is critical to protecting local water sources, preserving the ecosystem, and restoring the lake's potential as a prime tourism destination.

5.2.1.4. **Introduction of a Toll Gate System:** To generate sustainable revenue for local infrastructure development, a toll gate should be established on the main highway connecting Mohale's Hoek, Quthing, and Qacha's Nek. The collected funds will directly finance ongoing maintenance and development projects within the district.

5.2.1.5. **Protection of Indigenous Plants:** Indigenous plant species used for medicinal and culinary purposes face overexploitation. To regulate harvesting and ensure environmental sustainability, the Government should introduce a domestic levy that individuals must pay before harvesting these plants.

5.2.2. Expenditure

5.2.2.1. **Access Road Construction:** There is a critical need to construct tertiary and feeder roads connecting the rural communities of Mphaki, Ha Tsatsane, and Ha Stocko to the main road network. Improving these access roads will unlock economic potential, facilitate trade, and ease the movement of goods and services within these underserved areas.

5.2.2.2. **Pedestrian and Vehicular Bridge Construction:** The lack of climate-resilient pedestrian and vehicular bridges remains a severe bottleneck in the district. During heavy rainfall, communities become completely isolated due to overflowing rivers, which prevents children from attending school, blocks patients from accessing essential healthcare facilities, and paralyzes daily socio-economic movement. Investing in durable bridge infrastructure is vital to ensure uninterrupted mobility and safeguarding lives during adverse weather events.

5.2.2.3. **Establishment of a Wool and Mohair Processing Centre:** To promote agricultural industrialisation and maximise the local value chain, the Government should establish a dedicated wool and mohair shearing and processing facility. Instead of exporting raw fibres, a local processing plant will enable the district to wash, grade, and add value to its primary commodities, creating sustainable local jobs and increasing revenue for smallholder farmers.

5.2.2.4. **Telecommunications Infrastructure Expansion:** The deficit in network coverage towers significantly hinders digital and telecommunications connectivity between the district's remote interior and external markets. Expanding telecommunications infrastructure by installing additional network towers is essential to bridge the digital divide, improve emergency communication, and support local business operations.

5.2.2.5. **Development of Sports and Recreational Facilities:** The widespread lack of sports and recreational facilities limits youth engagement in sports and community development. Constructing modern sporting complexes will foster youth talent, promote community health, and provide safe spaces for social and athletic activities.

5.3. Group 2

5.3.1. Revenue

5.3.1.1. Upgrading the Tele Bridge Border Post, which links Quthing district to the Eastern Cape in South Africa, into a commercial hub is a highly recommended. At present, its non-commercial status restricts the volume and type of trade allowed through the crossing. This limitation creates significant financial and legal hurdles, stifling economic growth and business development throughout Quthing and its neighbouring communities.

5.3.1.2. Quthing is abundant in water resources and leveraging on these resources for localised hydroelectric power and commercial water bottling offers a powerful opportunity to drive regional growth, resolve electricity shortages, and enhance agricultural irrigation. These initiatives will trigger a strong economic multiplier effect by creating sustainable jobs in manufacturing, utilities, and secondary sectors like logistics, while simultaneously expanding the local tax base through corporate and payroll revenues to fund future district development.

5.3.1.3. The district's vast timber resources present a major opportunity to establish a local transmission pole manufacturing industry. By harvesting, processing, and treating timber locally, this initiative will create sustainable jobs for residents and youth while expanding the district's tax base to fund public services. Ultimately, supplying these poles to both domestic and export markets will inject substantial revenue into Quthing's economy, driving long-term socio-economic development across the region.

5.3.2. Expenditure

5.3.2.1. Severely damaged roads in the district currently hinder transportation and economic growth, highlighting the urgent need for government intervention to construct tarmac roads and repair degraded networks. Upgrading this infrastructure will accelerate access to essential services while facilitating the movement of agricultural produce and commercial goods. Furthermore, the initiative will create local construction jobs and expand the district tax base by revitalizing businesses and establishing reliable transport systems.

5.3.2.2. The inadequate sports facilities in the district severely hinder youth development, talent identification, and community cohesion. Investing in modern sports infrastructure will revitalise the area by providing safe, dedicated spaces for recreation, athletic training, and social interaction. Furthermore, these recreational hubs will stimulate local economies through sports tourism, while improving public health and reducing social vices among the youth.

5.3.2.3. The lack of electricity in schools is a major challenge, especially in an era where teaching and learning heavily rely on the internet. Without a reliable power supply, schools cannot integrate digital learning tools or utilize online educational resources. This digital divide severely limits students' academic development and prevents them from acquiring the essential technological skills needed in the modern world.

5.3.2.4. Lack of health facilities in the district severely compromises public healthcare delivery and community well-being. Investing in localised clinics and medical infrastructure will directly lower the district's high disease burden by accelerating emergency response times, reducing travel distances for vulnerable patients, and improving maternal and child health.

5.3.2.5. The lack of public sanitation facilities presents a significant challenge that leads to poor hygiene and environmental degradation. Building clean, accessible sanitation hubs across rural and urban communities will prevent waterborne illnesses, restore human dignity, and enhance the overall quality of life for residents

5.3.2.6. Decentralising WASCO is essential to resolve clean drinking water shortages within the town and expand the pipeline network to nearby villages. Devolving operations will ensure localised management, eliminate supply disruptions, and phase out reliance on unsafe water sources, thereby safeguarding public health in surrounding peri-urban communities.

5.4. Group 3

5.4.1. Revenue

5.4.1.1. **Tourism and Entrance Fee Implementation:** While several tourism destinations across the country charge an entry fee, locations within the district currently do not. It is highly recommended that designated tourism attraction sites be protected, well-maintained, and commercialised through a formal entrance fee. The generated revenue will directly finance the preservation and upkeep of these sites to keep them attractive to visitors.

5.4.1.2. **Regulation of Natural Resource Extraction:** Local mineral resources within the district are currently being extracted by individuals without yielding any tangible financial benefits or royalties for the district. Key resources such as sand, thatch (hyparrhenia), and crusher stone are harvested freely without regulation, highlighting an urgent need for institutional oversight and collection fees.

5.4.1.3. **Establishment of a Glass Manufacturing Plant:** The district is abundantly endowed with extensive sand deposits along the Senqu River, which are currently being extracted without any levies. This high-quality sand possesses immense industrial value for glass production, creating a critical opportunity to construct a local glass manufacturing factory to drive industrialisation and job creation.

5.4.1.4. **Introduction of a Pollution Levy:** To generate sustainable funding for local environmental sanitation, the Government should introduce formal pollution levy. The collected funds should be strictly ring-fenced and utilised to manage, collect, and dispose off waste systematically throughout the district, improving public hygiene.

5.4.1.5. **Commercialisation of the Tele Bridge Border Post:** Upgrading and fully commercialising the Tele Bridge Border Post is vital to transforming it into a high-capacity trade hub. This strategic shift will unlock cross-border commerce, accelerate the movement of goods, and expand the local tax base to drive regional economic growth.

Expenditure

5.4.2.1. **Construction of Rural Tertiary Roads:** There is a critical shortage of basic access roads within the district, particularly linking the remote rural communities of Mphaki, Ha Tsatsane, and Ha Stocko. Constructing tertiary and feeder roads is urgently required, to connect these underserved areas to the primary network and unlock their economic potential.

5.4.2.2. **Construction of Strategic Bridges:** The lack of durable bridges over the Senqu River, which serves as a vital artery connecting three districts, severely paralyses regional mobility. Furthermore, there is an urgent need to construct a resilient pedestrian and vehicular bridge at Ha Stocko, to prevent community isolation during heavy rains and safeguard lives.

5.4.2.3. **Expansion of Clean Drinking Water Infrastructure:** The widespread deficit in clean drinking water infrastructure remains a major challenge across the district. Prioritising capital expenditure towards expanding the reticulation pipeline network and installing clean water access points is essential to eliminate shortages and safeguard public health.

5.4.2.4. **Development of Healthcare Facilities and Accessibility:** Public healthcare delivery is severely compromised by the lack of healthcare facilities stretching from Qomoqomong to Bolahla. This critical challenge is further exacerbated by degraded, impassable road networks, which dangerously delay emergency response times and restrict vulnerable patients from reaching life-saving medical care.

6. Conclusion

6.1. The presentations outline a clear, unified roadmap for the socio-economic development of the Quthing district. By aligning local revenue generation directly with target infrastructure spending, the district can move towards economic self-reliance and improved public welfare. The findings consolidate into four core areas:

6.1.1. **Unlocking Economic and Border Revenue:** The groups consistently identify untapped revenue streams. Upgrading the Tele Bridge Border Post into a commercial trade hub stands out as a top priority to boost cross-border commerce and expand the local tax base. Additionally, the groups recommend commercialising natural assets by introducing tourism entrance fees (specifically at the Qomoqomong and Ha Ratlali San rock art sites), introducing natural resource extraction levies (for sand, timber, and medicinal plants), and implementing a highway tollgate system and pollution levies to create a self-sustaining funding pool.

6.1.2. **Industrialisation and Value Addition:** Rather than exporting raw commodities, the district has an opportunity to build local industries that create jobs for the youth. The proposals highlight three specific, high-yield facilities: A Wool and Mohair Processing Centre to wash and grade primary agricultural fibres locally. A Glass Manufacturing Plant utilizing the abundant sand deposits along the Senqu River. A Timber/Transmission Pole Processing Facility to tap into local forestry resources.

6.1.3. Climate-Resilient Connectivity and Infrastructure: The most urgent expenditure shared across all groups is fixing the district's broken transport network. Heavy rains frequently isolate rural communities like Mphaki, Ha Tsatsane, and Ha Stocko. The consensus demands immediate investment in tarmac and rural feeder roads, alongside climate-resilient pedestrian and vehicular bridges (particularly over the Senqu River and at Ha Stocko) to ensure uninterrupted access to schools and hospitals. Expanding telecommunications towers is also flagged as essential to bridge the digital divide for remote areas.

6.1.4. Public Health, Education, and Community Welfare: Finally, the presentations stress that economic growth must translate into basic human dignity and quality of life. On the expenditure side, this requires:

i. **Healthcare Expansion:** Building localised clinics, particularly along the unserved stretch from Qomoqomong to Bolahla.
ii. **Water and Sanitation:** Decentralizing WASCO to expand clean drinking water pipelines to nearby villages and building public sanitation hubs.
iii. **Education and Youth:** Powering schools with electricity to enable digital learning and constructing modern sports complexes to foster youth talent and curb social vices.

6.2. In summary, the consensus shows that the district does not lack resources, it lacks infrastructure. By implementing the suggested localised taxes, levies, and commercial border upgrades, the Government can systematically fund the critical roads, bridges, water networks, and processing centres needed to transform Quthing into a thriving, self-sustaining regional economy.

ANNEX 9: QACHA'S NEK ACTIVITY REPORT

1. INTRODUCTIONS

1.1. The 2028 pre-budget consultations meeting was held on June 17, 2026, at Mohale-oa-Masite Hotel. Funded by the Government of Lesotho in partnership with UNICEF, these sessions aimed to improve participatory budgeting by involving citizens, local government representatives, community councilors, traditional chiefs, civil servants from the district, the private sector, youth organisations and civil society organizations. This cycle saw a significant increase in attendance from diverse youth groups. The forums focused on reporting the 2025/26 budget performance, outlining key allocations for the 2026/27 budget, and gathering public input for the 2027/28 fiscal year's strategic policy direction.

1.2. Officials from the Department of Budget facilitated the proceedings, working alongside representatives from the Accounts and Administration departments. The Director of Planning from the Ministry of Local Government also attended.

2. REMARKS

2.1. District Administrator (DA)

2.1.1. Mr. Paul Pheko officially opened the proceedings by extending his profound gratitude to all participants, emphasising that their gathering marked the commencement of a monumental and highly transformative task for the district. He highlighted that reviewing past milestones clearly demonstrates the government's rigorous commitment to hard work, visible through the various ongoing development projects currently being implemented across the district. This tangible progress, he noted, reflects the true weight, dedication, and value of their collective labour. By successfully overcoming historical bottlenecks and systemic challenges, stakeholders have now cleared a direct, strategic path that enables the Government to drive sustainable and meaningful community development effectively.

2.1.2. Attributing these visible developments to seamless, collaborative efforts, Mr. Pheko reminded the attendees to take immense pride in knowing that their personal dedication and hard work made this progress a reality. He called on everyone to temporarily set aside daily administrative and local hurdles. He urged them to channel their combined energy, expertise, and shared vision into contributing to the drafting of a robust, comprehensive strategic document that will decisively shape and guide the budget plans for the upcoming financial year.

2.2. Ministry of Finance and Development Planning (MFDP)

2.2.1. On behalf of the MFDP, the Budget Controller welcomed all attendees and reminded them of the meeting's objectives: to present an overview of the previous financial year performance, to outline the allocations for the current year with a particular focus on the key pillars of the 2026 Budget Speech, and to gather stakeholder input for the upcoming budget strategy.

2.2.2. She highlighted that the country is navigating a challenging global environment, marked by economic instability driven by ongoing conflicts in the Middle East. This instability has caused a surge in fuel and food prices. In response, the Government intervened by subsidising fuel costs by two Maloti per litre. This emergency subsidy was an unbudgeted expenditure not initially approved by Parliament.

2.2.3. Furthermore, she noted that outbreaks such as Hantavirus, Ebola, and Foot-and-Mouth disease have severely impacted public health and livestock, requiring urgent resource redirection to curb transmission. Additionally, excessive rainfall has led to high moisture levels, negatively affecting crop yields. Consequently, the public is urged to propose practical strategies that the government can implement to mitigate these compounding challenges and prevent further economic and social fallout.

2.3. Ministry of Local Government, Chieftainship, Home Affairs and Police

2.3.1. Mrs. Malehano Tšoenene commended the Ministry of Finance and Development Planning for its sustained commitment to public consultations, highlighting these forums as vital platforms for direct engagement between stakeholders and the Ministry of Local Government. She expressed gratitude to the Department of Budget for consistently integrating community and urban councils into budget policy formulation. Emphasizing the strategic importance of the gathering, Mrs. Tšoenene urged all participants to actively engage in deliberations that advance the district's development. Looking ahead, she called on stakeholders to maintain momentum post-consultation by immediately preparing prioritisation frameworks for the 2027/28 fiscal year. Finally, she instructed the ministerial engineers to integrate climate resilience into infrastructure designs, ensuring newly constructed roads can withstand extreme weather and prevent washout during heavy rainfall.

3. GENERAL DISCUSSIONS/EXPECTATIONS

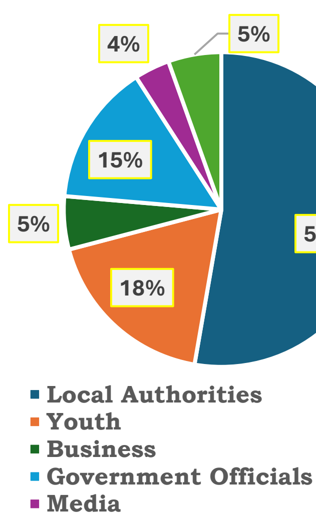
3.1. Transforming Agriculture through Water Harvesting: Qacha's Nek features a steep terrain and is highly vulnerable to drought, which frequently threatens food security. Currently, much of the water from local rivers drains into the Orange (Senqu) River basin and leaves the country. Implementing water-harvesting and irrigation infrastructure can change the district from being entirely dependent on rain-fed, subsistence farming to managing reliable, year-round crop production. Bringing water closer to fields would stabilize local food supplies and lower the cost of fresh produce, which is currently expensive due to transport costs from lowlands or South Africa.

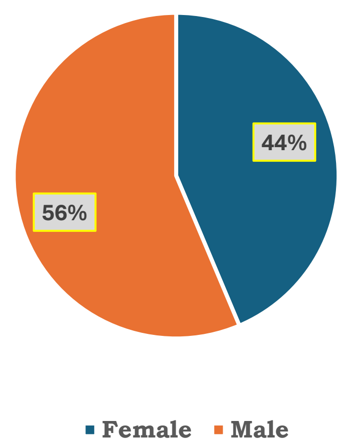
3.2. Youth unemployment is exceptionally high in the district, forcing many young people to migrate to Maseru or cross into South Africa for work. The dominance of foreign-owned spaza shops in local villages limits the options for young people trying to start small retail businesses.

3.3. **Decentralisation and Bridging the Urban-Rural Divide:** As Qacha's Nek is geographically isolated, its residents have historically felt left behind by centrally managed budgets. Passing and implementing the **Decentralisation Bill** means budget allocations, public procurement decisions, and administrative services move closer to the district level.

3.4. **Building Disaster Resilience Against External Shocks** Given that Qacha's Nek's high altitude exposes it to extreme weather—such as heavy snow, frost, and storms that isolate communities—integrating national disaster resilience into the budget is vital. This ensures proactive support, including early warning systems and climate-resilient infrastructure, protecting local livelihoods from environmental shocks.

4. STAKEHOLDER REPRESENTATION ILLUSTRATION





5. Group Presentations

5.1. Group 1

5.1.1. **Revenue**

5.1.1.1. Significant diamond and gold deposits have been identified in Khubetsoana, 'Milikane, Ha Rapase, Matebeng, and Sehlabathebe, with mining applications already submitted to the respective councils. Opening these mines will attract foreign investment, generate substantial tax revenue, and create local jobs.

Furthermore, operations will stimulate secondary businesses through supply chain demands and fund critical infrastructure like roads and electrification.

5.1.1.2. **Water Bottling Facility:** Given Sehlabathebe's abundant water supply, establishing a state-backed commercial bottling facility would generate a lucrative revenue stream through national sales. This initiative will stimulate the local economy, create sustainable jobs, and attract foreign investment via regional exports.

5.1.1.3. **Crusher Stone Levies:** Introduce a formal tariff system for crusher stone extraction. This will transition unregulated quarrying into a reliable public revenue stream. Enforcing these levies ensures private contractors pay an equitable share for utilising natural resources, creating ring-fenced funds to finance vital infrastructure projects like road maintenance

5.1.1.4. **Sand Resource Management:** To prevent unregulated depletion, sand extraction must be managed via a centralised system, for sustainable harvesting and secure stockpiling. Charging individuals and construction firms a regulated tariff will monetise this high-demand commodity, generating revenue to fund environmental reclamation and subsidise essential community services.

5.1.1.5. **Conservation of the Maloti Redfin:** Stringent protection of the rare, endemic Maloti Redfin fish (Thoboshoane) and its habitat is vital for population recovery. Successfully conserving this species will establish Sehlabathebe as a premier eco-tourism destination, unlocking sustainable revenue through regulated guided tours, park entry fees, and eco-lodging.

5.1.2. **Expenditure**

5.1.2.1. **Special Needs Education and Child Welfare**: A significant number of children in the district live with disabilities. It is recommended that the Government should establish a specialised, fully equipped school tailored to their needs. Furthermore, support is urgently required for children who have been left vulnerable by parents migrating in search of employment.

5.1.2.2. **Technical and Vocational Training:** There is a critical need for a high-quality vocational training school within the district. This institution will equip students with practical, hands-on technical skills to improve local employability.

5.1.2.3. **Infrastructure Development:** The district urgently requires the construction of reliable access roads and bridges to properly connect rural villages to essential services.

5.1.2.4. **Agri-Processing and Manufacturing (Aloe and Potato Cosmetics)**: Local entrepreneurs in Thifa, Ha Moroke are already manufacturing cosmetics from aloe vera. Government financial assistance should be provided to establish a dedicated cosmetics factory in the district. Furthermore, leveraging the region's excellent potato yields for cosmetic production presents a significant, research-backed agro-processing market opportunity.

5.1.2.5. **Sanitation and Public Health:** There is a pressing need for the installation of water-borne toilets to improve public hygiene and sanitation standards across the communities.

5.2. Group 2

5.2.1. **Revenue**

5.2.1.1. **Upgrading Existing Tourism Parks:** Existing tourism parks within the district must be upgraded and modernised, to enhance visitor experience and attract more international tourists. Upgrading this infrastructure will unlock the district’s scenic potential, generating vital revenue for surrounding communities. It will also create sustainable hospitality jobs for local residents, particularly the youth.

5.2.1.2. **Regulating Sand Mining and Reviving the Mining Sector:** The district possesses rich mineral deposits, including gold, coal, diamonds, and Orange River sand. To prevent environmental degradation and secure public revenue, the Government must enforce strict licensing and levies on sand mining. Additionally, reopening regulated diamond, coal, and gold mines will attract major investments. These revived operations will ultimately stimulate the local economy and provide secure jobs.

5.2.1.3. **Reopening and Upgrading the Tsoelike mini-hydro plant:** The Tsoelike power station, which was shut down, must be reopened, rehabilitated, and modernized to stabilize the local energy supply and reduce reliance on imported electricity. Reopening this facility will restore clean, reliable hydropower to nearby villages, supporting both domestic households and commercial growth.

5.2.1.4. **Establishing Youth-Led Water Bottling Facilities:** The district is endowed with abundant, high-quality water resources that can be leveraged to drive economic growth. The Government should support local youth by funding and establishing commercial water bottling facilities to tap into this natural surplus. This initiative will foster entrepreneurship and create direct manufacturing jobs.

5.2.2. **Expenditure**

5.2.2.1. **Procurement of Medical Supplies and Decentralisation of Healthcare Facilities:** The Government must invest heavily in the procurement of essential medicines/drugs and the construction of additional healthcare facilities across the district. Currently, local clinics suffer from chronic shortages of basic pharmaceutical supplies, forcing patients to travel long distances for treatment. Expanding and equipping rural health centres will ensure that vulnerable communities have immediate access to quality medical care and life-saving treatments close to home.

5.2.2.2. **Energy Self-Reliance and Expansion of Clean Water Infrastructure:** The district faces severe electricity deficits due to its heavy reliance on imported power from South Africa, which is plagued by frequent load-shedding and supply interruptions. To address this, the Government must invest in local power generation to secure energy independence. Alongside power, there is an urgent need to expand domestic water infrastructure to deliver clean, reticulated water directly to underserved villages**.**

5.2.2.3. **Tailored Youth Entrepreneurship Funds and Decentralised Business Support:** A dedicated fund must be established to provide accessible startup capital investments for youth-led businesses, moving away from existing centralised financial structures. Current national funding schemes disproportionately favour urban areas, neglecting the distinct economic realities of rural districts. Conducting comprehensive, district-specific studies will allow the government to design tailored support programmes, avoiding "one-size-fits-all" policies that fail rural entrepreneurs.

5.2.2.4. **Development of Strategic Road and Bridge Infrastructure:** Construction of a resilient network of roads and bridges is paramount to overcoming the geographic isolation that limits the district's economic progress. Upgrading gravel tracks to surfaced roads and building sturdy river crossings will connect remote agricultural communities to central markets. This infrastructure will also ensure safe passage during seasonal flooding and improve emergency-response times for remote areas.

5.2.2.5. **Construction of Inclusive Infrastructure and Accessible Public Buildings:** All future public and commercial construction must adhere to modern accessibility standards, incorporating ramps, lifts, and wheelchair-friendly layouts to assist vulnerable populations. Many existing structures present physical barriers that exclude people with disabilities from accessing essential civic and social services.

Enforcing these universal design principles will promote dignity, equal access, and social inclusion for all residents.

5.2.2.6. **Establishment of a Technical and Vocational Education and Training (TVET) Institution:** The district urgently requires a dedicated TVET institution to address high youth unemployment and severe skill shortages. Local youth currently lack access to practical, trades-based education in fields like construction, mechanics, hospitality, and agriculture. Establishing a local campus will equip young people with valuable, hands-on skills, driving local industrial growth and self-employment.

5.2.2.7. **Agricultural water requirements and irrigation infrastructure:** The severe depletion of domestic water reserves caused by uncontained runoff into neighbouring countries underscores an urgent need for state-led water harvesting infrastructure. By constructing strategic catchments, weirs, and modern reservoirs, the Government can retain this vital resource before it flows across national borders. Diverting collected water directly to local smallholder fields will establish reliable, gravity-fed irrigation systems, effectively reducing reliance on unpredictable seasonal rainfall. This deliberate infrastructure expansion will stabilise national crop yields, prevent severe soil erosion, and secure long-term food safety for vulnerable agrarian communities.

5.2.2.8. **Local commercial indigenisation and entrepreneurship:** The domestic marketplace is experiencing a notable saturation of foreign enterprises operating in business sectors that local citizens are fully capable of managing. To protect local livelihoods, the state must rigorously enforce existing indigenisation regulations that reserve micro, small, and medium enterprise (MSME) licences exclusively for indigenous Basotho citizens. Restricting non-citizens from small retail, logistics, and general trading fields will successfully eliminate unfair foreign competition.

5.3. Group 3

5.3.1. **Revenue**

5.3.1.1. **Mineral and precious commodity deposits:** The opening of mines to extract the significant coal, diamond, and gold deposits identified in Makhoabeng and Ha Ramatseliso present a transformative opportunity to catalyze local economic growth and improve rural livelihoods. This initiative will generate direct employment for residents, drive the upgrade of essential infrastructure, such as access roads, water networks, and electricity grids, and inject vital revenue directly into the local economy.

5.3.1.2. **Water bottling and hydroelectric power generation:** Numerous water sources across the district can generate employment through commercial water bottling initiatives. Furthermore, implementing a hydroelectric power project in Ha Rankakala will enable Qacha's Nek to achieve energy independence and cease its reliance on electricity imported from Matatiele.

5.3.1.3. **Quarrying and stone extraction:** It is recommended that the Government should establish a formal stone quarrying and processing enterprise to create stable local jobs, add value to raw materials before sale, and generate vital community revenue. This structured approach will also drive investment in shared infrastructure while ensuring all operations strictly meet environmental and safety standards.

5.3.1.4. **Youth agricultural land access:** Young people possess a strong interest in agriculture, but they face major barriers in acquiring land. When attempting to secure bank loans, they cannot provide the required proof of ownership for the land they intend to cultivate. Consequently, the youth must be supported with improved access to land.

5.3.1.5. **Wind energy generation**: Electricity scarcity remains a critical challenge throughout the district. Given that Lesotho is located at the highest altitude in Africa, it possesses excellent wind energy potential that should be harnessed to generate electricity for the benefit of the public.

5.3.1.6. **Tourism and heritage preservation:** To boost inbound tourism and preserve local heritage, the valuable and distinctive rock formations in Ha Rankakala and Ha Makoae must be properly managed and protected. Additionally, the Government should drive eco-tourism by safeguarding the endangered Maluti redfin (*Thoboshoana*) fish, expanding regulated trout farming in Sehlabathebe, and reopening the Underberg (*Nkonkoana*) border post to improve international visitor access.

5.3.1.7. **Wool Value Addition and Education Integration:** there is a critical need to establish a wool spinning and processing enterprise to facilitate local value addition. Furthermore, education and training on wool production should be integrated into the school curriculum. This initiative will retain economic value locally by creating high-quality, processed exports, whilst equipping the next generation with the technical skills needed to sustain and modernise the domestic wool industry.

5.3.2. **Expenditure**

5.3.2.1. **Road Infrastructure Deficit:** The severe lack of road infrastructure remains a critical barrier to the socio-economic development of Qacha's Nek. Constructing a reliable, all-weather road network is essential to connect isolated rural communities with schools and healthcare facilities. Improved roads will unlock the district's significant potential for tourism and agricultural development.

5.3.2.2. **Pedestrian and Vehicle Bridges Connecting Communities**: Construction of sturdy pedestrian and vehicular bridges across Qacha's Nek's watercourses is urgently required to prevent seasonal village isolation. This critical infrastructure will guarantee safe, year-round access to healthcare and education while boosting local trade. Furthermore, permanent crossings will eliminate the risk of tragic drowning incidents during heavy floods

6. Conclusion

6.1. To sum-up, based on the comprehensive group presentations for the district, the overall developmental strategy can be synthesized into the following five cohesive paragraphs, each focusing on a distinct core theme:

6.1.1. **Strategic Infrastructure and Regional Connectivity:** The combined proposals prioritise overcoming geographic isolation by investing in a resilient, all-weather network of surfaced roads and sturdy bridges like the Seaka-Senqunyane corridor. This improved mobility links remote communities directly to central markets, healthcare, and schools to unlock the district's economic potential. Additionally, expanding clean reticulated water networks and rural electrification enhances public safety, delivers essential utilities, and strengthens remote communities.

6.1.2. **Energy Security, Self-Reliance, and Green Technology:** To achieve complete energy independence and resolve chronic power deficits caused by reliance on imported electricity, the district must strategically invest in local, clean energy generation. Immediate priorities include rehabilitating, modernising, and reopening the Tsoelike mini-hydro power plant alongside developing new hydro projects in areas like Ha Rankakala. Capitalising on Lesotho's high-altitude geography, the district is also uniquely positioned to harness its vast wind energy potential by constructing strategic wind farms. Together, these renewable projects will supply clean, reliable power to local households, public health clinics, and emerging commercial enterprises across nearby villages.

6.1.3. **Exploitation of Natural Resources and Revenue Self-Funding:** Achieving sustainable fiscal independence requires the formal commercialisation and tight regulation of the district's rich mineral and natural endowments. Reopening and expanding strictly regulated gold, coal, and diamond mines across Khubetsoana, 'Milikane, Ha Rapase, Matebeng, Sehlabathebe, Makhoabeng, and Ha Ramatseliso will attract foreign investment, create stable jobs, and generate substantial public tax revenue. To fund the continuous maintenance of these public assets, the state must implement formal legal frameworks, introducing structured licensing fees, crusher stone levies, and sand resource tariffs, to eliminate unregulated environmental depletion while channelling resource capital directly back into infrastructure ring-fenced funds and landscape rehabilitation.

6.1.4. **Local Industrialisation, Value Addition, and Agrarian Resilience:** To maximise economic retention, the district must aggressively pivot towards local value addition, agro-processing, and the protection of the domestic marketplace. State financial backing should be directed towards establishing a wool spinning and processing enterprise to create high-quality exports, funding a dedicated factory to process local potato yields and aloe vera from Thifa Ha Moroke into cosmetics, and creating commercial, youth-led water bottling facilities that leverage the pure water surplus of Sehlabathebe. These industrial operations must be safeguarded by rigorously enforcing indigenisation laws that reserve micro, small, and medium enterprise (MSME) licences exclusively for indigenous Basotho citizens, while state-led water harvesting catchments, weirs, and gravity-fed irrigation infrastructure protect local smallholders from unpredictable seasonal rain.

6.1.5. **Human Capital, Educational Modernisation, and Tourism Expansion:** Addressing the high youth unemployment and severe skill shortages requires targeted public investments in practical human development and the strategic preservation of regional assets. Establishing a high-quality Technical and Vocational Education and Training (TVET) institution will equip the youth with hands-on, trade-based skills, which will be supported by tailored, decentralised entrepreneurship funds, improved youth agricultural land access, and multi-tiered youth hubs. These social interventions must be matched with building special needs schools, upgrading health facilities with reliable medical supplies, enforcing modern accessibility standards in public buildings, and modernising tourism parks—such as securing rock formations and safeguarding the endangered Maluti Redfin fish—to transform the region into a premier, self-sustaining eco-tourism destination.

ANNEX 10: MAFETENG ACTIVITY REPORT

1. INTRODUCTION

1.1. The 2028 pre-budget consultations meeting was successfully conducted on June 22, 2026, at the Golden Hotel. The primary objective of these consultations was to enhance participatory budgeting by engaging citizens through local government representatives, community councilors, traditional chiefs, the private sector, youth and civil society organizations. Additionally, the forums served to report on the performance of the 2025/26 budget, outline key allocations for the 2026/27 budget, and gather public input on the strategic policy direction for the 2027/28 fiscal year. Supported by UNICEF through the Power Hub Initiative Programme, the consultations for the 2027/28 cycle achieved a notable increase in representation from diverse youth organizations.

1.2. The proceedings were facilitated by officials from the Department of Budget, in collaboration with representatives from the Support Services, i, e., Accounts, and Administration departments. The meetings were also attended by the Director of Planning from the Ministry of Local Government.

2. REMARKS

2.1. District Administrator (DA)

2.1.1. In his opening remarks, the representative from the District Administrator's Office welcomed all attendees and expressed gratitude for their participation in this significant exercise. He commended the Ministry of Finance and Development Planning for its sustained engagement with the district to gather citizen inputs, which are essential for both local and national development. Furthermore, he emphasis ed the critical role of pre-budget consultations in providing citizens with a platform to articulate their needs and aspirations. He urged participants to engage attentively and offer constructive feedback on behalf of their respective communities, reminding them that the decisions reached during these meetings would have a long-term impact on both current and future generations.

2.2. Ministry of Finance and Development Planning (MFDP)

2.2.1. On behalf of the Ministry of Finance and Development Planning (MFDP), Mr. Matete Seeiso delivered the opening remarks, acknowledging and welcoming the representatives from the District Administrator's office, Ministry of Local Government and the attendees. He outlined the objectives of the consultations, which aimed to provide a comprehensive overview of the previous fiscal year's budget performance, present the 2026/27 budget allocations, and gather strategic policy inputs for the 2027/28 to 2029/30 medium-term budget framework.

2.2.2. He further explained that the consultations would maintain the methodology utilised in the previous year. Participants would breakaway into three (3) working groups, to deliberate on their respective development priorities and aspirations, which would subsequently be presented to the plenary by selected group representatives. These deliberations will be compiled to formulate the comprehensive consultation report.

2.3. Ministry of Local Government, Chieftainship, Home Affairs, and Police

2.3.1. Mrs. Malehano Tšoenene commended the Ministry of Finance and Development Planning (MFDP) for its sustained commitment to conducting public consultations. She highlighted these forums as vital platforms for stakeholders to collaborate and engage directly, particularly with representatives from the Ministry of Local Government. Furthermore, she expressed gratitude to the Department of Budget for consistently integrating community and urban councils into the budget policy formulation process, urging all participants to speak freely so that their inputs can directly shape national policy.

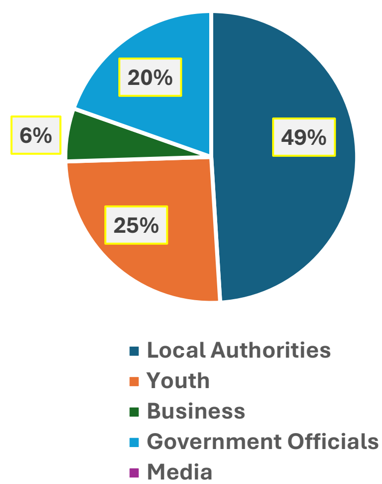
3. GENERAL DISCUSSIONS/EXPECTATIONS

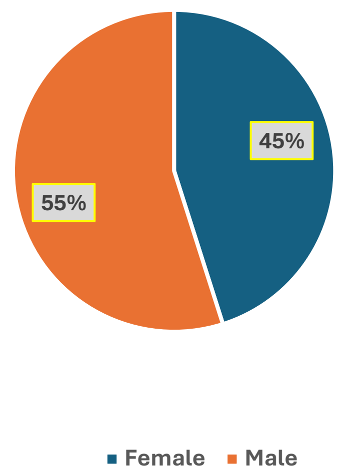
3.1. During the presentation of the Budget Formulation Calendar, a general recommendation was made to introduce a new procedural step following Step 17, which entails the preparation of procurement, implementation, and cash plans for budget execution by Ministries, Departments, and Agencies (MDAs). The proposed step should mandate MDAs to formally report on the implementation progress of ongoing programmes and projects, to validate whether they have fulfilled their budgetary commitments. However, it was noted that while this step is not explicitly included in the budget formulation calendar due to it being a budget execution matter, MDAs are already obligated to submit quarterly physical and financial progress reports to the Ministry of Finance and Development Planning (MFDP).

3.2. The primary presentation provided key highlights of the February 2026 Budget Speech. While this powerpoint presentation was delivered in Sesotho, the official budget document and its formal presentation before Parliament are traditionally executed in English. To ensure broader accessibility, it was recommended that the official budget address be delivered in a simplified format and in Sesotho. This adjustment will enable most of the population to better understand the financial policy and its implications for every Mosotho.

3.3. The meeting noted, however, that while over half of the population speaks Sesotho, the country's linguistic framework has evolved. Although Lesotho's former language policy recognised only Sesotho and English, the Government has recently granted official status to three additional languages: isiXhosa, isiPhuthi, and Lesotho Sign Language. This policy shift aims to address systemic marginalization, enhance the accessibility of human rights, and promote national inclusivity. Consequently, it was observed that if official state documents continue to be drafted exclusively in Sesotho and English, the state remains functionally aligned with a bilingual policy rather than its newly adopted multilingual framework.

4. STAKEHOLDER REPRESENTATION ILLUSTRATION





5. GROUP PRESENTATIONS

5.1. The meeting adopted and maintained the methodology utilised in the previous year and participants were divided into working groups to deliberate on their respective development priorities and aspirations, which were subsequently presented to the plenary by selected group representatives.

5.2. GROUP 1

5.2.1. **Infrastructure Expansion and Public Safety:** There is a critical need to develop and upgrade the road network, vehicular bridges, and pedestrian footbridges both within and between communities. The lack of reliable transport infrastructure severely hinders access to essential healthcare, education, and social services, leading to seasonal isolation during heavy rainfall. Most critically, these infrastructural deficits have compromised maternal health, with instances of preventable loss of life among pregnant women due to delayed access to medical facilities and continuously disrupt schooling activities.

5.2.2. **Water Security, Agribusiness, and Industrial Development:** There is an urgent need for clean drinking water and sustainable irrigation infrastructure. To mitigate ongoing water shortages, the Government should facilitate the construction of community dams. This initiative should use the community-driven development strategy known as "*Letšolo-la-Iketsetse*" to ensure active local participation, employment, and project ownership.

5.2.3. **Wool and Mohair Agro-Processing Value Chain:** The Mafeteng district is one of the nation's primary producers of wool and mohair, the Government should establish a storage facility as well as a local processing and textile spinning factory. Capitalising on this vital macroeconomic and cultural lifeline will maximise domestic value addition and directly combat the youth unemployment crisis, which has been declared a national disaster.

5.2.4. **Environmental Conservation, Rangeland Management, and Biodiversity**

5.2.4.1. **Ecosystem Restoration and Public Works:** The community public works initiative "*Lifato-fato*" should be resuscitated to facilitate donga rehabilitation, land restoration, and targeted grass-and-tree-planting campaigns to control severe soil erosion.

5.2.4.2. **Rangeland Protection and Flora Conservation:** Strict rangeland management practices must be enforced to eradicate invasive thistle plants (*Hlabahlabane*), preventing fleece contamination and protecting the quality of local wool and mohair. Furthermore, comprehensive strategies must be deployed to conserve Lesotho's indigenous plant species and biodiversity. To fund these initiatives and regulate the exploitation of natural flora, the Government should introduce targeted ecological levies or conservation fees where applicable.

5.2.4.3. **Decentralisation and Resource Governance:** The urgent enactment of the Decentralisation Bill is required to empower local authorities to draft and enforce local government bylaws. This framework will strengthen local oversight against illegal quarrying and unauthorised sand mining, ensuring communal resources are managed sustainably to generate local revenue.

5.3. Group 2

5.3.1. **Climate-Resilient Access and Bridge Infrastructure:** Construction of robust vehicles and pedestrian footbridges to mitigate seasonal isolation caused by heavy rainfall. This infrastructure will ensure uninterrupted access to schools and essential services, particularly for currently inaccessible villages such as Phoqhoane and Motsoane.

5.3.2. **Inclusive and Self-Sustaining Sports Infrastructure:** Construct new and rehabilitate existing sports facilities, ensuring they are fully equipped, standardised, and accessible for all sporting disciplines. Upon completion, implement a structured, subscription-based user fee model, to secure long-term operational maintenance and financial self-sustainability.

5.3.3. **Vocational Training Centre Modernisation:** Establish new Technical and Vocational Education and Training (TVET) centres and rehabilitate existing facilities. These institutions must be equipped with modern learning infrastructure to enhance skills acquisition and employment outcomes.

5.3.4. **Expanded Grid Electrification and Public Lighting:** Accelerate rural grid electrification and deploy high-mast (Apollo) street lighting across wider community zones to improve safety, visibility, and security.

5.3.5. **District Revenue Generation and Public Sanitation:** To boost district revenue and ensure long-term maintenance, the Government should construct income-generating public sanitation facilities and strategic tollgate infrastructure using fair user-fee systems.

5.3.6. **Wool and Mohair Agro-Processing Value Addition:** Establish a comprehensive wool spinning and mohair textile factory in the Mafeteng district to process raw fibers locally, maximising value addition for this vital macroeconomic and cultural lifeline.

5.3.7. **Agricultural Mechanisation and Domestic Market Protection:** To complement industrial production, the state should procure tractor fleets and expand cooperative block farming initiatives to increase yields and export capacity. Concurrently, the Government must capacitate local producers of high-value indigenous commodities, specifically rosehip, prickly pear, and aloe, while implementing strategic import restrictions on competing foreign goods, to safeguard Basotho enterprises.

5.3.8. **Spatial Planning and Investment Security**: The Government should enforce strict physical zoning laws, to ensure commercial buildings are modernised and universally accessible to all, including the elderly and the vulnerable. To remove barriers to commercial investment, the utilisation of tenement rows (malaene), shacks and informal dwellings for business operations should be prohibited

5.3.9. **Preservation of Arable Land and Food Security:** The unauthorised sale and conversion of agricultural land must be strictly prohibited, to safeguard domestic food security. The Government must urgently intervene to enforce existing statutory prohibitions and curb illicit real estate transactions driven by brokers enticing farming households with monetary offers.

5.4. Group 3

5.4.1. Basic Infrastructure and Public Services

5.4.1.1. **Rural Roads:** prioritise construction of all-weather community roads, to connect small farmers to markets, reduce post-harvest crop losses and lower transport costs for remote agricultural producers and improve general mobility for the residents.

5.4.1.2. **Healthcare Expansion**: Establishing accessible health centers in remote, hard-to-reach areas will guarantee that rural patients receive consistent, uninterrupted refills for long-term medications. Furthermore, these local facilities will provide vital early diagnostic services and timely interventions that easily prevent treatable conditions from escalating into severe medical emergencies.

5.4.1.3. **Water and Sanitation:** Provision and expansion of clean drinking water coverage as well as construction of public toilets with running water to improve community hygiene are essential. Providing these essential facilities will safeguard public health, promote daily hygiene practices, and restore dignity to underserved rural populations.

5.4.2. Economic and Employment Boost

5.4.2.1. **Job Creation:** Increase allocation to MDAs with high employment-generation potential, specifically targeting the forestry and orchard plantation.

5.4.2.2. **Programme Revival:** Resuscitate the Lifato-fato initiative (the national public works/local employment program) to provide immediate community jobs and upgrade local infrastructure.

5.4.3. Revenue

5.4.3.1. **Licensing of Cannabis:** Review and lower the current high prohibitive costs of registering a cannabis business. This fee reduction will make the sector financially accessible to indigenous Basotho entrepreneurs, thereby driving local investment and widening the tax base.

5.4.3.2. **Livestock and Grazeland Management:** To create new revenue streams and boost rural production, the Government should supply herders with agricultural inputs to help them grow and sell their produce. Additionally, grazing levies should be introduced on community pastures, to generate public revenue and manage land use sustainably.

5.5. Conclusion

5.5.1. In summary, the consultations across all three groups reveal a consistent, interconnected vision for the district's development. The inputs establish that resolving basic infrastructural bottlenecks is directly linked to improving public health, education, and economic survival.

5.5.2. The district's strategic roadmap gathered from the discussions centres on four pillars:

5.5.2.1. **Infrastructural Connectivity and Safety:** Upgrading roads, bridges, and grid electrification is the most critical prerequisite. Fixing these systems directly addresses seasonal isolation, protects maternal health, keeps children in school, and opens physical access to markets.

5.5.2.2. **Economic Transformation and Job Creation:** To combat the crisis of youth unemployment, the district must pivot from exporting raw materials to driving local value addition. This requires investing heavily in local wool and mohair processing factories, scaling up mechanised block farming, protecting indigenous agro products (rosehip, aloe, prickly pear) through import restrictions, and lowering cannabis licensing fees to make the industry accessible to indigenous Basotho entrepreneurs.

5.5.2.3. **Environmental and Resource Sustainability:** Protecting the district's ecological and agricultural foundation requires reviving the (*Lifatofato)* public works program for donga and land rehabilitation. This must be paired with strict rangeland management to eradicate invasive *Hlabahlabane* weeds, alongside a complete ban on converting valuable arable land into residential real estate.

5.5.2.4. **Local Governance and Fiscal Self-Sufficiency:** True development requires passing of the Decentralisation Bill, to enable local authorities to regulate natural resources (like sand and stone) and keep revenues locally. Furthermore, new public amenities, such as sports complexes, public toilets, and grazelands, should implement structured user fees and ecological levies to ensure they are financially self-sustaining without relying permanently on central government funding.

5.5.3. Balancing immediate social interventions (like health centres and clean water) with long-term economic reforms (agro-processing and spatial planning), is a framework that provides a comprehensive blueprint for sustainable rural development.