

Open Budget Survey 2025

Questionnaire

Lesotho

June 2026



Country Questionnaire: Lesotho

PBS-1. What is the fiscal year of the PBS evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2025-26

Source:

2025/2026 Budget Strategy Paper is available on Lesotho's website: <https://www.budgetportal.gov.ls:7024/strategyDocs/5>; pg 3 of the folder.

[Budget%20Strategy%20Paper%202025-2026-638629020653907231%20.pdf](#)

Comment:

The Budget Strategy Paper for FY 2025/26 serves as Lesotho's Pre-Budget Statement. It is publicly accessible via the Ministry of Finance's Budget Portal, reflecting the government's strategic and fiscal planning ahead of the formal budget presentation.

[Budget%20Strategy%20Paper%202025-2026-638629020653907231%20.pdf](#)

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

PBS-2. When is the PBS made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for a PBS to be considered publicly available, it must be made available to the public one month before the Executive's Budget Proposal is submitted to the legislature for consideration. If the PBS is not released to the public at least one month before the Executive's Budget Proposal is submitted to the legislature for consideration, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the PBS.

Answer:

a. At least four months in advance of the budget year, and at least one month before the Executive's Budget Proposal is introduced in the legislature

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Strategy%20Paper%202025-2026-638629020653907231.pdf>

Comment:

The "2025-2026 BUDGET STRATEGY PAPER", was published online on 25/09/2024.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

PBS-3a. If the PBS is published, what is the date of publication of the PBS?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

Answer:

25/9/2024

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Strategy%20Paper%202025-2026-638629020653907231.pdf>

Comment:

25 September 2024

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

PBS-3b. In the box below, please explain how you determined the date of publication of the PBS.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

It is visible on the page

Source:

<https://www.budgetportal.gov.ls:7024/strategyDocs/5>

Page 3

Comment:

No comments

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

PBS-4. If the PBS is published, what is the URL or weblink of the PBS?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Strategy%20Paper%202025-2026-638629020653907231.pdf>

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Strategy%20Paper%202025-2026-638629020653907231.pdf>

Comment:

Document was published within appropriate time

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

PBS-5a. If the PBS is not publicly available, is it still produced?

If the PBS is not considered publicly available under the OBS methodology (and thus the answer to Question PBS-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question PBS-2)

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Strategy%20Paper%202025-2026-638629020653907231.pdf>

Comment:

The "2025-2026 BUDGET STRATEGY PAPER", was published online on 25/09/2024.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

PBS-5b. If you selected option "c" or "d" in question PBS-5a, please specify how you determined whether the PBS was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question PBS-5a, researchers should mark this question "n/a."

Answer:

N/A

Source:

N/A

Comment:

N/A

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

PBS-6. If the PBS is produced, please write the full title of the PBS.

For example, a title for the Pre-Budget Statement could be "Proposed 2025 State Budget" or "Guidelines for the Preparation of Annual Plan and Budget for 2024/25."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:

2025/26 BUDGET STRATEGY PAPER

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Strategy%20Paper%202025-2026-638629020653907231.pdf>

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

EBP-1a. What is the fiscal year of the EBP evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2024-25

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

BUDGET SPEECH TO THE PARLIAMENT OF THE KINGDOM OF LESOTHO FOR THE 2024/25 FISCAL YEAR

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

EBP-1b. When is the EBP submitted to the legislature for consideration?

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

Answer:

21/2/2024

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

The Executive Budget Proposal (Budget Speech and Estimates) was submitted to the National Assembly on 21 February 2024.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

EBP-2. When is the EBP made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an EBP to be considered publicly available, it must be made available to the public while the legislature is still considering it and before the legislature approves (enacts) it. If the EBP is not released to the public before the legislature approves it, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EBP.

The OBS definition of an Executive's Budget Proposal is a document(s) that (i) the executive submits to the legislature as a formal part of the budget approval process and (ii) the legislature either approves or on which it approves proposed amendments.

The OBS will treat the Executive's Budget Proposal as "Not Produced," in the following cases:

- The executive does not submit the draft budget to the legislature; or
- The legislature receives the draft budget but does not approve it or does not approve recommendations on the draft budget;
- The legislature rejects the draft budget submitted by the executive, but the executive implements it without legislative approval; or
- There is no legislature, or the legislature has been dissolved.

Answer:

c. Less than two months in advance of the budget year, but at least in advance of the budget being approved by the legislature

Source:

Link 1: <https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Link 2: https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Link 3: <https://finance.gov.ls/macroOfficialDocs/3>

Link 4: https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20book%202024_25%20Final-638618149122303845.pdf

Comment:

The Executive Budget Proposal (2024/2025 Budget Speech and Estimates (Link 1 and 2)) was made publicly available on the Ministry of Finance Budget Portal on the same day it was submitted to Parliament. According to the official metadata records, this occurred on 21 February 2024, which aligns with OBS requirements for public availability during the legislative approval process.

The government also produced two additional documents related to the draft budget in this cycle:

1. Fiscal Risks Statement 2024–2025 (Link 3):

Although this document was published online, the metadata indicates a publication date of 13 February 2025. Under OBS methodology, documents released after the legislature has approved the budget are considered published too late to count as publicly available for the purposes of assessing the EBP. Therefore, this document cannot be used as evidence for any questions related to the content of the Executive Budget Proposal.

2. Final Budget Estimates Book for the 2024/2025 Fiscal Year (Link 4):

Based on the metadata and the publication date shown on the Ministry's website, this document was released after parliamentary approval of the budget. As such, it is also considered published too late and cannot be treated as a supplemental document to the EBP for this round.

Additionally, the government has made progress in disclosing more information on public debt through the introduction of an Annual Borrowing Plan. However, for this round of the OBS—given that the FY 2024/25 cycle is being assessed for the EBP—there is no corresponding report or update related to the Annual Borrowing Plan available for use as supplemental evidence.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

EBP-3a. If the EBP is published, what is the date of publication of the EBP?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

In the comment boxes below, researchers should also list any supporting documents to the EBP and their date of publication.

Answer:
21/2/2024

Source:
<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:
Budget was published on the same day it was presented to Parliament.

Peer Reviewer
Opinion:

Government Reviewer
Opinion: Agree

EBP-3b. In the box below, please explain how you determined the date of publication of the EBP.

If the document is not published at all, researchers should mark this question "n/a."

Answer:
Java script but is also visibly available on the website

Source:
<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:
No comments

Peer Reviewer
Opinion:

Government Reviewer
Opinion: Agree

EBP-4. If the EBP is published, what is the URL or weblink of the EBP?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

In the comment boxes below, researchers should also list any supporting documents to the EBP and their URL or weblink.

Answer:
<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Source:
<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:
no comment

Peer Reviewer
Opinion:

Government Reviewer
Opinion: Agree

EBP-5a. If the EBP is not publicly available, is it still produced?

If the EBP is not considered publicly available under the OBS methodology (and thus the answer to Question EBP-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EBP-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

<https://www.budgetportal.gov.is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

The Executive Budget Proposal (2024/2025 Budget Speech and Estimates) was made publicly available on the Ministry of Finance Budget Portal on the same day it was submitted to Parliament.

Peer Reviewer
Opinion:

Government Reviewer
Opinion: Agree

EBP-5b. If you selected option "c" or "d" in question EBP-5a, please specify how you determined whether the EBP was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question EBP-5a, researchers should mark this question "n/a."

Answer:

N/A

Source:

N/A

Comment:

N/A

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

EBP-6. If the EBP is produced, please write the full title of the EBP.

For example, a title for the Executive's Budget Proposal could be "Draft Estimates of Revenue and Expenditure for BY 2024-25, produced by the Ministry of Finance, Planning and Economic Development."

If there are any supporting documents to the EBP, please enter their full titles in the comment box below.

If the document is not produced at all, researchers should mark this question "n/a."

Answer:

BUDGET SPEECH TO THE PARLIAMENT OF THE KINGDOM OF LESOTHO FOR THE 2024/2025 FISCAL YEAR

ANNEX DRAFT BUDGET ESTIMATES FOR THE FINANCIAL YEAR 2024/2025

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Comment:

N/A

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

EB-1a. What is the fiscal year of the EB evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2024-25

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

Comment:

The Appropriation Act serves as the Enacted Budget publication supported by budget book

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

EB-1b. When was the EB approved (enacted) by the legislature?

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

Answer:

25/03/2024

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

Hansard March 25, 2024: <https://nationalassembly.parliament.ls/wp-content/uploads/2024/07/25th-Monday.pdf>

Order Papers for March 25, 2024: <https://nationalassembly.parliament.ls/wp-content/uploads/2024/03/ORDER-PAPER-FOR-MONAY-25TH-MARCH-2024.pdf>

Comment:

The Appropriation (2024/2025) Act, 2024, which constitutes the Enacted Budget, was published in the Government Gazette on 2 April 2024 and published online on the same date.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

IBP Comment

IBP has conducted a second review of the available evidence and confirms, based on the official Hansard record, that the Appropriation (2024/2025) Bill was passed by the National Assembly on 25 March 2024 (<https://nationalassembly.parliament.ls/wp-content/uploads/2024/07/25th-Monday.pdf>). This date is prior to the start of the fiscal year on 1 April 2024. While the Official Gazette indicates a later publication date, OBS methodology considers the date of legislative approval (i.e., passage by the legislature) for this question. The Hansard clearly records that the bill was read for the Third Time and agreed to on 25 March 2024, confirming its approval before the fiscal year began. Accordingly, the response has been revised from April 2nd, 2024, to March 25th, 2024. Additional evidence has been provided to support this revision.

EB-2. When is the EB made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an EB to be considered publicly available, it must be made available to the public three months after the budget is approved by the legislature. If the EB is not released to the public at least three months after the budget is approved by the legislature, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EB.

Answer:

a. Two weeks or less after the budget has been enacted

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

Hansard March 25, 2024: <https://nationalassembly.parliament.ls/wp-content/uploads/2024/07/25th-Monday.pdf>

Order Papers for March 25, 2024: <https://nationalassembly.parliament.ls/wp-content/uploads/2024/03/ORDER-PAPER-FOR-MONAY-25TH-MARCH-2024.pdf>

Comment:

For the 2024–2025 fiscal year, the Appropriation Act meets the EB-2 criteria for timeliness and public availability as it was approved 25/03/2024 and published on 02/04/2024, which is two days into the financial year. There is a more detailed Budget Estimates Book, while informative and publicly accessible, does not meet the timeliness requirement and will not be counted as a supplementary document to the Appropriations Act.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

EB-3a. If the EB is published, what is the date of publication of the EB?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

Answer:

02/04/2024

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

Comment:

It was gazetted on the 2/04/2024 and made available online the same day.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

EB-3b. In the box below, please explain how you determined the date of publication of the EB.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

Node.js JavaScript script

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

EB-4. If the EB is published, what is the URL or weblink of the EB?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

Comment:

no comment

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

EB-5a. If the EB is not publicly available, is it still produced?

If the EB is not considered publicly available under the OBS methodology (and thus the answer to Question EB-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EB-2)

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

Comment:

It was approved on the 31/03/2024, published on the 02/04/2024, which is two day into the financial year.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

EB-5b. If you selected option "c" or "d" in question EB-5a, please specify how you determined whether the EB was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question EB-5a, researchers should mark this question "n/a."

Answer:

N/A

Source:

N/A

Comment:

N/A

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

EB-6. If the EB is produced, please write the full title of the EB.

For example, a title for the Enacted Budget could be "Appropriation Act n. 10 of 2025."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Appropriation 2024-25 Act 2024

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

Comment:

N/A

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

CB-1a. Which of the seven publicly available budget documents have a corresponding "citizens' version?"

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

To answer the following questions, researchers should draw their answers from the Citizen's Budgets that are available to the public. In order to be considered publicly available by the Open Budget Survey methodology, the Citizens Budget must be released at the same time as the "publicly available" budget document the Citizens Budget corresponds to.

Please select all that apply.

Answer:

Executive's Budget Proposal
Mid-Year Review

Source:

Citizen's Guide to the Draft Budget Proposal 2024/2025: <https://www.budgetportal.gov.Is:7024/PDFDocuments/Citizens%20Guide%202024-2025%20Final-638767696439886051.pdf>

Mid-Term Budget Review Citizens' Guide

<https://www.budgetportal.gov.Is:7024/PDFDocuments/2024-25%20Citizens%20Guide%20MID-TERM%20BUDGET%20REVIEW-639005641198516939.pdf>

Comment:

The government produces citizens' guides for the Draft Budget and for the Mid-Term Budget Review for FY 2024/25.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

CB-1b. If the CB is produced, please indicate which budget document it corresponds to.

If multiple Citizens Budgets are produced, please only select the corresponding budget document for the most comprehensive and recently released version (the Executive's Budget Proposal or the Enacted Budget).

Your selection will determine the Citizens Budget document used to answer the following questions, including Questions 64-67.

Answer:

Executive's Budget Proposal

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Citizens%20Guide%202024-2025%20Final-638767696439886051.pdf>

Comment:

The Citizens' Guide to the Budget for FY 2024/25 simplifies the BUDGET SPEECH (2024/25) and the Draft Budget Estimates, which correspond to the Executive's Budget Proposal.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

CB-2. What is the fiscal year of the CB evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Please answer this question based on your response to CB-1b, the most comprehensive and recently released version.

Answer:

FY 2024-25

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Citizens%20Guide%202024-2025%20Final-638767696439886051.pdf>

Comment:

The Citizens' Guide to the Budget for FY 2024/25 simplifies the BUDGET SPEECH (2024/25) and estimates.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

CB-3a. For the fiscal year indicated in CB-2, what is the public availability status of the CB?

Please answer this question based on your response to CB-1b, the most comprehensive and recently released version.

Remember that publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified by the OBS methodology and that all citizens are able to obtain free of charge. This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

Answer:

e. Not applicable (the document is publicly available)

Source:

Budget Citizens Guide: <https://www.budgetportal.gov.ls:7024/reportsDocs/14>

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Citizens%20Guide%202024-2025%20Final-638767696439886051.pdf>

Comment:

The Citizens' Budget for FY 2024/25 was published online on 4 March 2024, prior to the legislature's approval of the budget on 31 March 2024 and the start of the FY. As it was made publicly available within the OBS time frame, it meets the criteria for being publicly available.

While the Citizens' Guide to the Executive's Budget Proposal is the version assessed for this question and the related content questions, it is also worth noting that the government produces a Citizens' Version of the Mid-Year Review. This document was published on 27 November 2024, within three months of the midpoint of the fiscal year (30 September 2024), and is therefore also considered publicly available under OBS methodology.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

CB-3b. If you selected option "c" or "d" in question CB-3a, please specify how you determined whether the CB was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question CB-3a, researchers should mark this question "n/a."

Answer:

N/A

Source:

N/A

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

CB-4a. If the CB is published, what is the date of publication of the CB?

*Note that the date of publication is not necessarily the same date that is printed on the document.
Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

If more than one Citizens Budget is published, please complete this question for one of them (response to CB-1b.), specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its dates of publication.

Answer:

04/03/2024

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Citizens%20Guide%202024-2025%20Final-638767696439886051.pdf>

<https://www.budgetportal.gov.ls:7024/reportsDocs/14>

Comment:

The Citizen's Budget for the EBP was published on March 4th, 2024, as indicated on the government's portal.

Additionally, the Citizens' Guide to the Mid-Term Budget Review was published on 27/11/2024.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

CB-4b. In the box below, please explain how you determined the date of publication of the CB.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

TAKEN FROM THE DOCUMENT WEBSITE: <https://www.budgetportal.gov.ls:7024/reportsDocs/14>

Source:

<https://www.budgetportal.gov.ls:7024/reportsDocs/14>

Comment:

The date is indicated next to the document on the budget portal under the column date published.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

CB-5. If the CB is published, what is the URL or weblink of the CB?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

If more than one Citizens Budget is published, please complete this question for one of them (response to CB-1b.), and – in the comment box – which other Citizens Budget is produced and its URL or weblink.

Answer:

<https://www.budgetportal.gov.ls:7024/reportsDocs/14>

Source:

EBP Citizens Guide PDF: <https://www.budgetportal.gov.ls:7024/PDFDocuments/Citizens%20Guide%202024-2025%20Final-638767696439886051.pdf>

MYR Citizens Guide PDF: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-25%20Citizens%20Guide%20MID-TERM%20BUDGET%20REVIEW-639005641198516939.pdf>

Comment:

The link is to the budget portal where the citizens' budgets for both the MYR and the EBP are located.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

CB-6. If the CB is produced, please write the full title of the CB.

For example, a title for the Citizens Budget could be "Budget 2024 People's Guide" or "2025 Proposed Budget in Brief: A People's Budget Publication."

If the document is not produced at all, researchers should mark this question "n/a."

If multiple Citizens Budgets are produced, answer this question based on your response to CB-1b. In the comment box, include any additional Citizens Budgets, the corresponding budget document, and their full titles.

Answer:

2024/2025 Simplified Version Citizens' Budget Guide

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Citizens%20Guide%202024-2025%20Final-638767696439886051.pdf>

<https://www.budgetportal.gov.ls:7024/reportsDocs/14>

Comment:

The other publicly available Citizens' Budget is for the MYR, and it is titled "Mid-Term Budget Review Citizens' Guide 2024/2025."

Peer Reviewer

Opinion:

Government Reviewer
Opinion: Agree

IYRs-1. What is the fiscal year of the IYRs evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2023-24 and FY 2024-25

Source:

Budget and Fiscal Bulletin Link: <https://www.budgetportal.gov.ls:7024/reportsDocs/12>

2023-2024 3rd Quarter Budget Execution Bulletin:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20Third%20Quarter%20Budget%20Execution%20Bulletin-638615205623213673.pdf>

2023-2024 4th Quarter Budget Execution Bulletin:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-2024%20Forth%20Quarter%20Budget%20Execution%20Bulletin-638742153290381592.pdf>

2024-2025 1st Quarter Budget Execution Bulletin: [https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-](https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf)

[2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf](https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf)

2024-2025 2nd Quarter Budget Execution Bulletin: [https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-](https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf)

[2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf](https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf)

Comment:

The IYRs evaluated include Quarterly Budget Execution Reports for Q1–Q4 of FY 2023/24 and Q1–Q2 of FY 2024/25, as these were published before the OBS cut-off date of December 31, 2024. These reports are typically released by the Ministry of Finance and are accessible via the Lesotho Budget Portal.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

IYRs-2. When are the IYRs made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for IYRs to be considered publicly available, IYRs must be made available to the public no later than three months after the reporting period ends. If at least seven of the last 12 monthly IYRs, or at least three of the last four quarterly IYRs are not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the IYRs.

Answer:

c. At least every quarter, and within three months of the period covered

Source:

Budget and Fiscal Bulletin Link: <https://www.budgetportal.gov.ls:7024/reportsDocs/12>

2023-2024 3rd Quarter Budget Execution Bulletin:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20Third%20Quarter%20Budget%20Execution%20Bulletin-638615205623213673.pdf>

2023-2024 4th Quarter Budget Execution Bulletin:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-2024%20Forth%20Quarter%20Budget%20Execution%20Bulletin-638742153290381592.pdf>

2024-2025 1st Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf>

2024-2025 2nd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf>

Comment:

All four IYRs assessed – Q3 and Q4 of FY 2023/24 and Q1 and Q2 of FY 2024/25 – were published within three months of the end of their respective reporting periods. Specifically, Q3 was published on January 1, 2024; Q4 on April 30, 2024; Q1 on July 17, 2024; and Q2 on November 4, 2024. This meets the OBS standard for timeliness.

Additionally, the government has made progress in publishing Quarterly Debt Transparency Reports, and we acknowledge the Ministry of Finance's efforts to increase transparency in this area. For this OBS round, the relevant reports assessed include:

- 3rd Quarter Debt Transparency Report 2023/2024 – Published 16-08-2024
- 4th Quarter Debt Transparency Report 2023/2024 – Published 16-08-2024
- 1st Quarter Debt Transparency Report 2024/2025 – Published 16-08-2024
- 2nd Quarter Debt Transparency Report 2024/2025 – Published 08-11-2024

Under OBS methodology, IYRs (including quarterly debt or fiscal execution reports) must be published within three months of the end of the reporting period to be considered publicly available. While the Q1 and Q2 reports for FY 2024/2025 were published within the required timeframe and therefore count as publicly available, the Q3 and Q4 reports for FY 2023/2024 were not:

- Q3 2023/24 was published five months after the end of the reporting period (instead of by the end of March).
- Q4 2023/24 was published approximately one month late (instead of by the end of June).

According to OBS guidelines, if at least three of the last four quarterly in-year reports are not published within three months of the end of their reporting period, then the reports cannot be considered publicly available for the purposes of assessing execution data. Therefore, despite the positive step of producing and publishing these quarterly debt reports, they cannot be used as supplemental sources for IYRs in this round of the assessment, as they do not fully meet the OBS timeliness criteria.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

IYRs-3a. If the IYRs are published, what are the dates of publication of the IYRs?

Specifically: if quarterly In-Year Reports are published, indicate the dates of publication of at least three of the last four IYRs that were publicly available. If monthly IYRs are published, indicate the dates of publication of at least seven of the last 12 IYRs that were publicly available.

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2024 should be entered as 05 September 2024. If the document is not published or not produced, please mark this question "n/a."

Answer:

Q3 FY 2023/24: Published on January 1, 2024

Source: Budget Portal – Q3 Bulletin [www.budget...tal.gov.ls]

Q4 FY 2023/24: Published on April 30, 2024

Source: Budget Portal – Q4 Bulletin [www.budget...tal.gov.ls]

Q1 FY 2024/25: Published on July 17, 2024

Source: Budget Portal – Q1 Bulletin [budgetportal.gov.ls]

Q2 FY 2024/25: Published on November 4, 2024
Source: Budget Portal – Q2 Bulletin [www.budget...tal.gov.ls]

Source:

Budget and Fiscal Bulletin Link: <https://www.budgetportal.gov.ls:7024/reportsDocs/12>

2023-2024 3rd Quarter Budget Execution Bulletin:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20Third%20Quarter%20Budget%20Execution%20Bulletin-638615205623213673.pdf>

2023-2024 4th Quarter Budget Execution Bulletin:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-2024%20Forth%20Quarter%20Budget%20Execution%20Bulletin-638742153290381592.pdf>

2024-2025 1st Quarter Budget Execution Bulletin: [https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-](https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf)

[2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf](https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf)

2024-2025 2nd Quarter Budget Execution Bulletin: [https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-](https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf)

[2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf](https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf)

Comment:

All four IYRs assessed – Q3 and Q4 of FY 2023/24 and Q1 and Q2 of FY 2024/25 – were published within three months of the end of their respective reporting periods.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

IYRs-3b. In the box below, please explain how you determined the date of publication of the IYRs.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

The publication dates for the In-Year Reports (IYRs) were determined by JavaScript and from checking the Lesotho Budget Portal at <https://www.budgetportal.gov.ls:7024/reportsDocs/12>, where each quarterly Budget Execution Bulletin is listed with its corresponding upload/publication date.

Source:

Budget and Fiscal Bulletin Link: <https://www.budgetportal.gov.ls:7024/reportsDocs/12>

2023-2024 3rd Quarter Budget Execution Bulletin:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20Third%20Quarter%20Budget%20Execution%20Bulletin-638615205623213673.pdf>

2023-2024 4th Quarter Budget Execution Bulletin:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-2024%20Forth%20Quarter%20Budget%20Execution%20Bulletin-638742153290381592.pdf>

2024-2025 1st Quarter Budget Execution Bulletin: [https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-](https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf)

[2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf](https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf)

2024-2025 2nd Quarter Budget Execution Bulletin: [https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-](https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf)

[2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf](https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf)

Comment:

These dates are clearly displayed next to each report and confirm that:

Q3 FY 2023/24 was published on January 1, 2024

Q4 FY 2023/24 on April 30, 2024

Q1 FY 2024/25 on July 17, 2024

Q2 FY 2024/25 on November 4, 2024

These dates were used to assess the timeliness of publication for OBS purposes.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

IYRs-4. If the IYRs are published, what is the URL or weblink of the IYRs?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Researchers should provide the weblink to the most recent In-Year Report in the space below, and – in the comment box underneath – the weblinks to older IYRs.

If the document is not published at all, researchers should leave this question blank.

Answer:

2023-2024 3rd Quarter Budget Execution Bulletin:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20Third%20Quarter%20Budget%20Execution%20Bulletin-638615205623213673.pdf>

2023-2024 4th Quarter Budget Execution Bulletin:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-2024%20Forth%20Quarter%20Budget%20Execution%20Bulletin-638742153290381592.pdf>

2024-2025 1st Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf>

2024-2025 2nd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf>

Source:

Budget and Fiscal Bulletin Link: <https://www.budgetportal.gov.ls:7024/reportsDocs/12>

Comment:

ere are the direct links to the four IYRs assessed in this OBS round, all hosted on Lesotho's official Budget Portal:

Q3 FY 2023/24 (Published January 1, 2024):

2023-24 Third Quarter Budget Execution Bulletin (PDF)

Q4 FY 2023/24 (Published April 30, 2024):

2023-24 Fourth Quarter Budget Execution Bulletin (PDF)

Q1 FY 2024/25 (Published July 17, 2024):

2024-25 First Quarter Budget Execution Bulletin (PDF)

Q2 FY 2024/25 (Published November 4, 2024):

2024-25 Second Quarter Budget Execution Bulletin (PDF)

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

IYRs-5a. If the IYRs are not publicly available, are they still produced?

If the IYRs are not considered publicly available under the OBS methodology (and thus the answer to Question IYRs-2 was "d"), a government may nonetheless

produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question IYRs-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

Budget and Fiscal Bulletin Link: <https://www.budgetportal.gov.ls:7024/reportsDocs/12>

Comment:

This question is not applicable because the In-Year Reports (IYRs) are publicly available. As confirmed in IYRs-2 through IYRs-4, the Q3 and Q4 reports for FY 2023/24 and the Q1 and Q2 reports for FY 2024/25 were all published on the Lesotho Budget Portal within three months of the end of their respective reporting periods. The publication timestamps are clearly listed next to each report on the portal, confirming their public availability.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

IYRs-5b. If you selected option "c" or "d" in question IYRs-5a, please specify how you determined whether the IYRs were produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question IYRs-5a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

IYRs-6. If the IYRs are produced, please write the full title of the IYRs.

For example, a title for the In-Year Report could be "Budget Monitoring Report, Quarter 1" or "Budget Execution Report January-March 2024."

If In-Year Reports are not produced at all, researchers should mark this question "n/a."

Researchers should provide the full title of the most recent In-Year Report in the space below, and – in the comment box underneath – the full titles of older IYRs.

Answer:

Q3 FY 2023/24: "2023/24 Third Quarter Budget Performance Bulletin"

Q4 FY 2023/24: "2023/24 Budget Performance Bulletin – Fourth Quarter"

Q1 FY 2024/25: "2024/25 First Quarter Budget Performance Bulletin"

Q2 FY 2024/25: "2024/25 Second Quarter Budget Performance Bulletin"

Source:

2023-2024 3rd Quarter Budget Execution Bulletin:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20Third%20Quarter%20Budget%20Execution%20Bulletin-638615205623213673.pdf>

2023-2024 4th Quarter Budget Execution Bulletin:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-2024%20Forth%20Quarter%20Budget%20Execution%20Bulletin-638742153290381592.pdf>

2024-2025 1st Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf>

2024-2025 2nd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf>

Comment:

The full titles are based on the documents published on the Lesotho Budget Portal.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

MYR-1. What is the fiscal year of the MYR evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2024-25

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Mid-Term%20Budget%20Statemet%2027-11-2024-638683249676063733.pdf>

Comment:

Presented to legislature on 27TH NOVEMBER 2024

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

MYR-2. When is the MYR made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an MYR to be considered publicly available, it must be made available to the public no later than three months after the reporting period ends (i.e., three months after the midpoint of the fiscal year). If the MYR is not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the MYR.

Answer:

b. Nine weeks or less, but more than six weeks, after the midpoint

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Mid-Term%20Budget%20Statemet%2027-11-2024-638683249676063733.pdf>

Comment:

PRESENTED 9 WEEKS AFTER MIDTERM (End of September to November 27th)

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

MYR-3a. If the MYR is published, what is the date of publication of the MYR?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

Answer:

27/11/2024

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Mid-Term%20Budget%20Statemet%2027-11-2024-638683249676063733.pdf>

Comment:

JAVA SCRIPT

Peer Reviewer

Opinion:

Government Reviewer
Opinion: Agree

MYR-3b. In the box below, please explain how you determined the date of publication of the MYR.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

ACTUAL DATE IS DISPLAYED ON THE WEBSITE

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Mid-Term%20Budget%20Statemet%2027-11-2024-638683249676063733.pdf>

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion: Agree

MYR-4. If the MYR is published, what is the URL or weblink of the MYR?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Mid-Term%20Budget%20Statemet%2027-11-2024-638683249676063733.pdf>

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Mid-Term%20Budget%20Statemet%2027-11-2024-638683249676063733.pdf>

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion: Agree

MYR-5a. If the MYR is not publicly available, is it still produced?

If the MYR is not considered publicly available under the OBS methodology (and thus the answer to Question MYR-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question MYR-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

<https://www.budgetportal.gov.ls:7024/reportsDocs/9>

Comment:

The Mid-Term Budget Statement is publicly available.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

MYR-5b. If you selected option "c" or "d" in question MYR-5a, please specify how you determined whether the MYR was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question MYR-5a, researchers should mark this question "n/a."

Answer:

N/A

Source:

N/A

Comment:

N/A

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

MYR-6. If the MYR is produced, please write the full title of the MYR.

For example, a title for the Mid-Year Review could be "Semi-annual Budget Performance Report, FY 2023/24" or "Mid-Year Report on the 2024 National Budget."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:

2024–2025 Mid-Term Budget Statement

Source:

<https://www.budgetportal.gov.Is:7024/reportsDocs/9>

Specifically, the published Mid-Term Budget Statement PDF is here:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/2024-2025%20Mid-Term%20Budget%20Statemet%2027-11-2024-638683249676063733.pdf>

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

YER-1. What is the fiscal year of the YER evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2023-24

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

The main YER document being considered is the 2023–2024 National Budget Brief

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

YER-2. When is the YER made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an YER to be considered publicly available, it must be made available to the public no later than one year after the fiscal year to which it corresponds. If the YER is not released to the public within one year after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not

produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the YER.

Answer:

b. Nine months or less, but more than six months, after the end of the budget year

Source:

Annual Sector Budget Reviews 2023/24:
<https://www.budgetportal.gov.ls:7024/reportsDocs/11>

National Budget Brief (Main YER information):

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

2023-2024 Social Sector Budget Brief:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-2024%20Social%20Sector%20Budget%20Brief-638648810526860203.pdf>

2023-2024 Governance Sector Brief:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-2024%20GOVERNANCE%20SECTOR%20BRIEF-638648812028334991.pdf>

Comment:

Although the Budget Portal lists the publication date of the 2023/24 Annual Sector Budget Reviews as 16 August 2024, the document metadata indicates a creation date of 18 October 2024, which more accurately reflects when it became publicly available. Within these materials, the 2023/24 National Budget Brief functions as the closest equivalent to a Year-End Report (YER). It is accompanied by sector-specific briefs – including the Social, Governance, and Infrastructure Sector Reviews – which collectively provide:

- Analysis of budget execution and credibility
- Expenditure execution presented by economic, administrative, and functional groupings (primarily in chart/percentage form)
- Explanations for deviations from approved budgets
- Revenue actuals for FY 2023/24
- Macroeconomic outcomes and forward projections
- Sector performance narratives and implementation challenges

While these documents are not labeled as a formal YER, they meet the minimum OBS criteria for year-end reporting and were published within the required timeline. Therefore, the National Budget Brief (2023/24) is used as the YER for the purposes of this assessment.

To strengthen transparency and align more closely with international good practice, it would be beneficial for the government to publish the Consolidated Annual Financial Statements as a stand-alone, publicly available Year-End Report, rather than releasing them only after the audit process. A published YER with full financial statements, execution tables, and narrative explanations would provide a more comprehensive and accessible accounting of fiscal performance.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

YER-3a. If the YER is published, what is the date of publication of the YER?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

Answer:

18/10/2024

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

Although the Lesotho Budget Portal lists the publication date as August 16, 2024, the document properties of the PDF show a creation date of October 18, 2024, which is a more reliable indicator of when the report was finalized and likely made publicly available.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

YER-3b. In the box below, please explain how you determined the date of publication of the YER.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

JavaScript script and document properties

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

Although the Lesotho Budget Portal lists the publication date as August 16, 2024, the document properties of the PDF show a creation date of October 18, 2024, which is a more reliable indicator of when the report was finalized and likely made publicly available.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

YER-4. If the YER is published, what is the URL or weblink of the YER?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Source:

<https://www.budgetportal.gov.ls:7024/reportsDocs/11>

Comment:

Peer Reviewer

Opinion:

Government Reviewer
Opinion: Agree

YER-5a. If the YER is not publicly available, is it still produced?

If the YER is not considered publicly available under the OBS methodology (and thus the answer to Question YER-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question YER-2)

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

<https://www.budgetportal.gov.ls:7024/reportsDocs/11>

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

This question is not applicable because the Year-End Report (YER) is publicly available. The main YER document – the 2023–2024 National Budget Brief – is accessible on the Lesotho Budget Portal, along with accompanying sector-specific reviews (Governance, Social, and Infrastructure). While the portal lists the publication date as August 16, 2024, the document metadata indicates it was created on October 18, 2024, which is a more accurate reflection of when it was likely made public.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

YER-5b. If you selected option "c" or "d" in question YER-5a, please specify how you determined whether the YER was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question YER-5a, researchers should mark this question "n/a."

Answer:

N/A

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

YER-6. If the YER is produced, please write the full title of the YER.

For example, a title for the Year-End Report could be "Consolidated Financial Statement for the Year Ended 31 March 2024" or "Annual Report 2023 Published by the Ministry of Finance and Planning." If the document is not produced at all, researchers should mark this question "n/a."

Answer:

2023–2024 National Budget Brief

Source:

<https://www.budgetportal.gov.ls:7024/reportsDocs/11>

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

The main Year-End Report (YER) is titled the "2023/2024 National Budget Brief", which provides a summary of the government's budget execution and performance for the fiscal year. In addition to this main document, the government also publishes sector-specific annual reviews, which include:

Governance Sector Annual Budget Review

Social Sector Annual Budget Review

Infrastructure Sector Annual Budget Review

These sector reports are submitted alongside the National Budget Brief and contain additional budget-related information, such as sectoral allocations, performance highlights, and implementation challenges. All documents are available on the Lesotho Budget Portal.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

AR-1. What is the fiscal year of the AR evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2022-23

Source:

<https://auditorgeneral.org.ls/publications/>

<https://www.budgetportal.gov.ls:7024/oversightDocs/3>

Comment:

Although the Audit Report for FY 2021/22 is available on the Lesotho Budget Portal, there is no publicly accessible report for FY 2022/23 or FY 2023/24 on official government websites, including the Budget Portal, the Office of the Auditor-General, or the National Assembly website.

Therefore, for the purposes of this OBS round, the most recent audit report within the assessment period is not publicly available.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer: FY 2022-23 has been assessed in previous survey therefore it can not be repeated.

IBP Comment

IBP thanks the government reviewer for their comment. According to OBS methodology, for countries with fiscal years running from April to March, the Audit Report assessed can correspond to either FY 2022/23 or FY 2023/24, in line with international good practice that audit reports should be published within approximately 18 months after the end of the fiscal year. For FY 2022/23, this would imply publication by around September 2024. If the FY 2023/24 Audit Report is not yet publicly available by the OBS cutoff date (December 2024), the methodology allows reverting to the most recent fiscal year that should reasonably be available within this timeframe, to avoid penalizing countries due to the timing of publication relative to the cutoff date. Additionally, in the previous round, FY 2020/21 was assessed. Therefore, assessing FY 2022/23 in this round does not constitute duplication since the end of the fiscal year would have come after the previous rounds cut-off date (December 2022), and FY 2021/22 is not being assessed in this cycle. Accordingly, the selection of FY 2022/23 is consistent with OBS methodology.

AR-2. When is the AR made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an AR to be considered publicly available, it must be made available to the public no later than 18 months after the end of the fiscal year to which it corresponds. If the AR is not released to the public at least 18 months after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the AR.

Answer:

d. Does not release to the public, or is released more than 18 months after the end of the budget year

Source:

<https://auditorgeneral.org.ls/publications/>

<https://www.budgetportal.gov.ls:7024/oversightDocs/3>

Comment:

Although the Audit Report for FY 2021/22 is available on the Lesotho Budget Portal, there is no publicly accessible report for FY 2022/23 or FY 2023/24 on official government websites, including the Budget Portal, the Office of the Auditor-General, or the National Assembly website. Therefore, for the purposes of this OBS round, the most recent audit report within the assessment period is not publicly available.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer: c. More than 12 months, but within 18 months, after the end of the budget year

IBP Comment

IBP thanks the government reviewer for raising this point. Upon further review, IBP confirms that the Report of the Auditor General for FY 2022/23 was eventually published on the Auditor General's website in November 2025. However, under OBS methodology, Audit Reports must be published no later than 18 months after the end of the fiscal year to be considered publicly available. As the FY 2022/23 report was published well beyond this timeframe and after the OBS cut-off date, the criteria for public availability are not met, and the response "d" is maintained. IBP also notes that evidence available prior to the OBS cut-off date already indicated significant delays in the audit process. In May 2024, Parliament and the Office of

the Auditor General acknowledged that the FY 2021/22 Audit Report had been released approximately two years late due to delays in the submission and auditing of the consolidated annual financial statements. The Accountant General reportedly submitted the FY 2022/23 consolidated financial statements for external audit on 16 June 2024, approximately 15 months after the end of the fiscal year, making further delays in publication foreseeable at the time of assessment. Therefore, while the FY 2022/23 Audit Report was eventually produced and published, it does not satisfy the OBS timeliness requirements for a publicly available Audit Report.

AR-3a. If the AR is published, what is the date of publication of the AR?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

Answer:

18/11/2025

Source:

<https://auditorgeneral.org.ls/publications/>
<https://www.budgetportal.gov.ls:7024/oversightDocs/3>

Comment:

As of the OBS cut-off date (December 31, 2024), there is no publicly available Audit Report for FY 2022/23 or FY 2023/24 on the official websites of the Lesotho Budget Portal, the Office of the Auditor-General, or the National Assembly. The most recent audit report available online remains the Report of the Auditor-General for the Year Ended 31 March 2022, which covers FY 2021/22 and was published in 2024.

Since no newer audit report has been made publicly available, no publication date can be confirmed for FY 2022/23 or FY 2023/24.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer: <https://auditorgeneral.org.ls/wp-content/uploads/2024/08/REPORT-OF-THE-AUDITOR-GENERAL-MARCH-2022.pdf> They are available for public though publish late

IBP Comment

IBP thanks the government reviewer for their comment. While the Audit Report for FY 2022/23 was made publicly available after the OBS cut-off date (published 18/11/2025), upon further review IBP acknowledges that parliamentary records and related reports available prior to the cut-off date already indicated that the report would be published late due to delays in the submission and auditing of the consolidated annual financial statements. The response has therefore been updated to reflect the date the report was ultimately published on the Auditor General's website. Additionally, IBP notes that the source provided by the government reviewer refers to the Auditor General Report for FY 2021/22, which is not the fiscal year being assessed in this survey round.

AR-3b. In the box below, please explain how you determined the date of publication of the AR.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

N/A

Source:

<https://auditorgeneral.org.ls/publications/>

<https://www.budgetportal.gov.ls:7024/oversightDocs/3>

Comment:

As of the OBS cut-off date (December 31, 2024), there is no publicly available Audit Report for FY 2022/23 or FY 2023/24 on the official websites of the Lesotho Budget Portal, the Office of the Auditor-General, or the National Assembly. The most recent audit report available online remains the Report of the Auditor-General for the Year Ended 31 March 2022, which covers FY 2021/22 and was published in 2024. Since no newer audit report has been made publicly available, no publication date can be confirmed for FY 2022/23 or FY 2023/24.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: I choose not to review this question

IBP Comment

At the time of the research, the audit report for FY 2022-23 had not yet been made publicly available. Upon a second review, IBP confirms that the Report of the Auditor General for the year ending March 31, 2023 (FY 2022-23) is now available on the Auditor General's website (published November 18, 2025). The date can be found in the document properties.

AR-4. If the AR is published, what is the URL or weblink of the AR?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

<https://auditorgeneral.org.ls/publications/>

Source:

<https://auditorgeneral.org.ls/publications/>
<https://www.budgetportal.gov.ls:7024/oversightDocs/3>

Comment:

As of the OBS cut-off date (December 31, 2024), there is no publicly available Audit Report for FY 2022/23 or FY 2023/24 on the official websites of the Lesotho Budget Portal, the Office of the Auditor-General, or the National Assembly. The most recent audit report available online remains the Report of the Auditor-General for the Year Ended 31 March 2022, which covers FY 2021/22 and was published very late in 2024. Since no newer audit report has been made publicly available, no publication date can be confirmed for FY 2022/23 or FY 2023/24.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

AR-5a. If the AR is not publicly available, is it still produced?

If the AR is not considered publicly available under the OBS methodology (and thus the answer to Question AR-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question AR-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy

(and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

a. Produced but made available online to the public too late (published after the acceptable time frame)

Source:

<https://auditorgeneral.org.ls/publications/>

<https://www.budgetportal.gov.ls:7024/oversightDocs/3>

Order Papers: <https://www.facebook.com/photo/?fbid=436639999126400&set=pcb.436640122459721>

Comment:

The most recent Audit Report available is for FY 2021/22, which was produced and tabled in Parliament on May 22, 2024. This is confirmed by the Lesotho National Assembly Order Paper, which records the tabling of the "Report of the Auditor General on the Consolidated Financial Statements of the Government of Lesotho for the year ended 31st March 2022."

For this OBS round, however, we assess the Audit Report for either FY 2022/23 or FY 2023/24. As of the OBS cut-off date (December 31, 2024), no Audit Report for these fiscal years has been produced or published.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Produced but made available online to the public too late (published after the acceptable time frame)

Comments: <https://auditorgeneral.org.ls/publications/>

IBP Comment

IBP thanks the government reviewer for their comment. At the time of the OBS cut-off date (December 31, 2024), no Audit Report for FY 2022/23 or FY 2023/24 had yet been published. The most recent publicly available report at that time was the FY 2021/22 Audit Report, tabled in Parliament on May 22, 2024. However, upon further review, IBP confirms that the Audit Report for FY 2022/23 was eventually published online in November 2025. Although this publication occurred after the OBS cut-off date and well beyond the OBS timeliness threshold, evidence available prior to the cut-off date already indicated that the report was expected to be delayed due to significant lags in the submission and auditing of the consolidated annual financial statements, as acknowledged in parliamentary discussions and related reports. Therefore, the issue is not that the Audit Report was not produced, but rather that it was produced and published late. As such, the response has been revised from a "d" to "a. Produced but made available online to the public too late."

AR-5b. If you selected option "c" or "d" in question AR-5a, please specify how you determined whether the AR was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question AR-5a, researchers should mark this question "n/a."

Answer:

Given that the Audit Report for FY 2021/2022 was only submitted to Parliament and published in mid-2024, it is reasonable to conclude that Audit Reports for FY 2022/23 and FY 2023/24 will be published late.

Source:

<https://auditorgeneral.org.ls/publications/>

<https://www.budgetportal.gov.ls:7024/oversightDocs/3>

Comment:

The most recent Audit Report available is for FY 2021/22, which was produced and tabled in Parliament on May 22, 2024. This is confirmed by the Lesotho National Assembly Order Paper, which records the tabling of the "Report of the Auditor General on the Consolidated Financial Statements of the Government of Lesotho for the year ended 31st March 2022."

For this OBS round, however, we assess the Audit Report for either FY 2022/23 or FY 2023/24. As of the OBS cut-off date (December 31, 2024), no Audit Report for these fiscal years has been produced or published.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer:

IBP Comment

Upon further review, IBP confirms that the Audit Report for FY 2022/23 was eventually published online in November 2025. Although this publication occurred after the OBS cut-off date and well beyond the OBS timeliness threshold, evidence available prior to the cut-off date already indicated that the report was expected to be delayed due to significant lags in the submission and auditing of the consolidated annual financial statements, as acknowledged in parliamentary discussions and related reports. Therefore, the issue is not that the Audit Report was not produced, but rather that it was produced and published late, which is now reflected in the response.

AR-6. If the AR is produced, please write the full title of the AR.

For example, a title for the Audit Report could be "Annual General Reports of the Controller and Auditor General." If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Report of the Auditor General on the Consolidated Financial Statements of the Government of Lesotho for the Year Ended 31 March 2023

Source:

<https://auditorgeneral.org.ls/publications/>

<https://www.budgetportal.gov.ls:7024/oversightDocs/3>

Comment:

The most recent Audit Report available is for FY 2021/22, which was produced and tabled in Parliament on May 22, 2024. This is confirmed by the Lesotho National Assembly Order Paper, which records the tabling of the "Report of the Auditor General on the Consolidated Financial Statements of the Government of Lesotho for the year ended 31st March 2022."

For this OBS round, however, we assess the Audit Report for either FY 2022/23 or FY 2023/24. As of the OBS cut-off date (December 31, 2024), no Audit Report for these fiscal years has been produced or published.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer: REPORT OF THE AUDITOR-GENERAL

IBP Comment

IBP thanks the government reviewer for their comment. At the time of the research, the audit report for FY 2022-23 had not yet been made publicly available. Upon further review, IBP confirms that the Audit Report for FY 2022/23 was eventually published online in November 2025. Although this publication occurred after the OBS cut-off date and well beyond the OBS timeliness threshold, evidence available prior to the cut-off date already indicated that the report was expected to be delayed due to significant lags in the submission and auditing of the consolidated annual financial statements, as acknowledged in parliamentary discussions and related reports. The response has been revised from N/A to the name of the Audit report for FY 2022-23.

GQ-1a. Is the numerical data in any of the seven key budget documents available in a machine-readable format?

Material (data or content) is machine-readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx), or HTML files do not qualify as machine-readable. See more at: [Open Data Handbook](#).

Please select a budget document only if it is publicly available according to OBS methodology.

In the comment box below, specify whether the data available is fully or partially machine-readable and provide the URL(s) for the relevant documents.

Please select all that apply:

Answer:

None of the above

Source:

Comment:

There is no budget information available in Excel or in a machine-readable format.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

GQ-1b. If the government operates an additional open data portal or platform specifically for sharing fiscal or budgetary information beyond the primary budget website, what features does it offer?

This question assesses the accessibility and quality of government open data portals for fiscal transparency. Open data plays a pivotal role in the development and application of AI technologies, especially in PFM. Accessible and well-documented open datasets enable AI models to be trained on diverse, high-quality information, which improves their accuracy, transparency, and adaptability. To support AI-driven initiatives in public finance, policymakers should prioritize investments in robust open data platforms, ensure strong data documentation practices, and promote machine-readable metadata. These measures will not only enhance the quality of AI models but also increase their accountability and efficiency in the public sector.

Examples of open data portals include:

- *Dedicated open fiscal data portals (e.g., Mexico's <https://www.transparenciapresupuestaria.gob.mx/>)*
- *Platforms providing performance indicators linked to budget outcomes (e.g., Norway's <https://statsregnskapet.dfo.no/>)*
- *Open data portal providing extensive visualizations and graphs and incorporating an interactive user experience (e.g., Germany's <https://www.bundeshaushalt.de/DE/Bundeshaushalt-digital/bundeshaushalt-digital.html>)*

Researchers should provide links only to the relevant open data portal along with a brief description of its content and features. If an open data portal exists but does not offer any of the listed features, select "None of the above." If no additional open data portal is available, select "Not applicable."

Please select all that apply:

Answer:

Not applicable

Source:

https://www.budgetportal.gov.is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Comment:

Lesotho's budget portal provides access to budget documents across multiple years and links allocations to specific sectors. However, it lacks machine-readable formats, interactive tools, real-time updates, outcome indicators, and metadata, limiting its usability for deeper analysis.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

GQ-1c. How does the Ministry of Finance apply AI in specific areas of Public Financial Management?

This question assesses the extent and application of artificial intelligence (AI) in Public Financial Management (PFM) by the Ministry of Finance (or related government entity). As AI technologies become more prevalent, their integration into PFM can significantly enhance efficiency, accuracy, and transparency in financial operations. Understanding the areas where AI is applied provides insight into a government's digital maturity and its commitment to leveraging technology for improved fiscal management.

For more insight into where to find this information please refer to the 2025 OBS Guide and Questionnaire (GQ questions).

Please select all that apply:

Answer:

AI is not used in these areas, or no information is available

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDD-638618159924795564.pdf

Comment:

The Ministry of Finance has expressed interest in digital transformation and improving transparency and efficiency in PFM. However, there are no confirmed applications of AI in areas such as tax compliance, budget monitoring, fraud detection, citizen engagement, or predictive analytics.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

IBP Comment

IBP notes that the government has developed a draft Artificial Intelligence Policy Implementation Plan, which outlines an implementation roadmap and a monitoring and evaluation framework to support effective execution and continuous improvement. https://www.gov.ls/download/draft-artificial-intelligence-policy_1-0/ However, this document was published after the OBS cut-off date. Therefore, for the purposes of this assessment, it is considered that prior to the cut-off date Lesotho was still in the process of developing and initiating its AI policy framework.

GQ-1d. Are AI-driven fiscal models, forecasts, or decisions subject to transparency and oversight?

This question assesses whether governments ensure transparency and accountability in the use of AI-driven fiscal models and forecasts in public financial management (PFM). As AI increasingly informs budgetary decisions, tax policies, and economic forecasts, ensuring transparency is essential for maintaining public trust, preventing biases, and safeguarding against potential misuse of AI in financial governance (See ODI's handbook for Data-centric AI policy https://theodi.cdn.ngo/media/documents/Global_Policy_Observatory_for_Data-centric_AI.pdf).

For more insight into where to find this information please refer to the 2025 OBS Guide and Questionnaire (GQ questions).

Answer:

d. There is no evidence of AI-driven fiscal models or decisions being used

Source:

Comment:

N/A

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

GQ-2. What Gender-Responsive Budgeting (GRB) practices are implemented across the budget cycle in your country?

This question aims to assess the extent to which technical mechanisms for gender-responsive budgeting (GRB) are implemented across the budget cycle by any and/or all the institutions involved in the budget process (e.g. Ministry of Finance, Legislature, Supreme Audit Institution). It focuses on tools and methodologies that governments use to integrate gender considerations into public financial management, with an emphasis on budget tracking, impact assessments, and accountability mechanisms.

If a government has announced gender-budgeting efforts but lacks concrete implementation mechanisms, researchers should not mark them.

If a country is piloting gender budgeting in select ministries, it can be counted but note the scope and limitations in the comments.

For insight into where to find this information and descriptions (with examples) of the different types of gender-responsive budgeting initiatives please refer to the 2025 OBS Guide and Questionnaire.

Please select all that apply:

Answer:

None of the above

Source:

Comment:

N/A

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

GQ-3. What green budgeting initiatives or tools does the government use to track climate and environmental expenditures and/or revenues?

This question evaluates whether a government integrates climate and environmental considerations into its budget process through green budgeting tools.

Green budgeting is not a separate budget but an approach that ensures fiscal policies incorporate environmental priorities. It helps governments track climate-related revenues and expenditures, assess environmental impacts, and align budgetary decisions with climate goals (For more information see the OECD's Green Budgeting: Governing Green Through the Budget Cycle [https://one.oecd.org/document/GOV/SBO\(2023\)12/en/pdf](https://one.oecd.org/document/GOV/SBO(2023)12/en/pdf)).

If a government has announced green/climate budgeting efforts but lacks concrete implementation mechanisms, researchers should not mark them.

If a country is piloting climate budgeting in select ministries, it can be counted but note the scope and limitations in the comments.

For insight into where to find this information and descriptions (with examples and definitions) of the different types of green budgeting initiatives please refer to the 2025 OBS Guide and Questionnaire.

Please select all that apply:

Answer:

None of the above

Source:

Comment:

N/A

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

1. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?

GUIDELINES:

Question 1 addresses the presentation of expenditure by administrative unit. This information indicates which government entity (ministry, department, or agency, or MDAs) will be responsible for spending the funds and, ultimately, held accountable for their use.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all administrative units, accounting for all expenditures, in the budget year. To answer "b," the administrative units shown individually, in the Executive's Budget Proposal or its supporting documentation, must account for at least two-thirds of all expenditures in the budget year. In other words, the sum of the expenditures assigned to the individual MDAs (education, health, infrastructure, interior, defense, etc.) must account for at least two-thirds of the total expenditure budgeted for that particular year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents administrative units that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by administrative unit.

Answer:

a. Yes, administrative units accounting for all expenditures are presented.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Comment:

The Executive's Budget Proposal presents expenditures by administrative unit for all MDAs, fully accounting for the budget year. This meets the criteria for answer (a), ensuring transparency and accountability. Page 19 has an overview and more details from pages 23 to 41.

Peer Reviewer

Opinion:

Government Reviewer
Opinion: Agree

2. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by functional classification?

GUIDELINES:

Question 2 addresses the presentation of expenditure by functional classification. This classification indicates the programmatic purpose, sector, or objective for which the funds will be used, such as health, education, or defense. Administrative units are not necessarily aligned with functional classifications. For instance, in one country all functions connected with water supply (which fall into the "Housing" function) may be undertaken by a single government agency, while in another country they may be distributed across the Ministries of Environment, Housing, and Industrial Development. In the latter case, three ministries have programs addressing water supply, so three ministries contribute to one function. Similarly, some administrative units may conduct activities that cut across more than one function. For instance, in the example above, some programs of the Ministry of Environment would also be classified in the "environmental protection" function.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by functional classification.

Answer:

a. Yes, expenditures are presented by functional classification.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Budget Call Circular 2024-25 - 2026-27: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Budget%20Call%20Circular%20-638683238718193988.pdf>

National Strategic Development Plan II 2023/24 - 2027/28:

http://www.publicworksandtransport.gov.ls/digicom/uploads/NSDP_II_2023_24_2027_28.pdf

Comment:

In the draft budget book, on page 43 of the PDF (page 42 of the document), there is a breakdown titled "Recurrent Estimates by Programme and Activity." Under each administrative unit, seven categories are presented as "programmes":

01 – General Administration and Management

02 – Enhancing Inclusive and Sustainable Economic Growth and Private Sector-led Job Creation

03 – Strengthening Human Capital

04 – Building Enabling Infrastructure

05 – Strengthening National Governance and Accountability

06 – Investment Climate Reforms and Financial Sector Development

07 – Cross-cutting Issues (Poverty, Gender, Youth and Climate)

Based on the National Strategic Development Plan, which defines these seven areas as national priority functions, and the Budget Call Circular (Appendix 3: Chart of Accounts), which describes these categories as "the overarching functions of government," we have determined that these classifications are more closely aligned with functional classification rather than program budgeting in the conventional sense.

Although they are labeled as "programmes" in the document, their structure, purpose, and alignment with strategic outcomes indicate that they represent policy objectives or functional groupings rather than operational programs. As such, they meet the requirement for presenting expenditure by functional classification for the budget year.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

3. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by functional classification, is the functional classification compatible with international standards?

GUIDELINES:

Question 3 asks whether a country's functional classification meets international standards. To answer "a," a country's functional classification must be aligned with the OECD and the UN's Classification of the Functions of Government (COFOG), or provide a cross-walk between the national functional presentation and COFOG.

The OECD Best Practices for Budget Transparency can be viewed at <https://internationalbudget.org/wp-content/uploads/OECD-Best-Practices-for-Budget-Transparency.pdf>.

COFOG can be viewed at https://unstats.un.org/unsd/publication/SeriesM/SeriesM_84E.pdf or at <https://www.imf.org/external/Pubs/FT/GFS/Manual/2014/gfsfinal.pdf> (pg. 142).

Answer:

b. No, the functional classification is not compatible with international standards, or expenditures are not presented by functional classification.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDd-638618159924795564.pdf

Budget Call Circular 2024-25 - 2026-27: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Budget%20Call%20Circular%20-638683238718193988.pdf>

National Strategic Development Plan II 2023/24 - 2027/28:

http://www.publicworksandtransport.gov.ls/digicom/uploads/NSDP_II_2023_24_2027_28.pdf

Comment:

The Draft Budget Estimates presents expenditure information using seven broad categories aligned with the government's national development priorities (e.g., "Strengthening Human Capital," "Building Enabling Infrastructure," "Cross-cutting Issues," etc.). While these categories are consistently used throughout the budget documentation and reflect the country's strategic goals, they do not correspond to international standards for functional classification such as COFOG. Several of the categories combine multiple sectors within a single heading, and the sub-functions are not clearly defined or mapped to internationally recognized functional groupings (e.g., health, education, social protection).

While these classifications reflect high-level development priorities related to government functions, they do not correspond to COFOG functional categories and therefore are not considered compatible with international standards.

Although this categorization approach usefully signals the government's strategic focus, greater clarity could be achieved by presenting a more structured and comparable functional classification alongside it. For example, providing a separate table with totals for each functional grouping, as well as clearer sub-function definitions aligned with standard sectors, could help improve transparency and reduce potential confusion between policy priorities and functional expenditure reporting. This might involve listing the seven priority areas and, beneath each, indicating the relevant sectoral expenditure areas (e.g., health, education, social protection), similar to how these are presented in the budget briefs. Currently, this type of consolidated functional overview is not available in the Estimates and appears only in the year-end report, making it more difficult to see the functional breakdown of expenditures during the budget formulation stage.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

4. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by economic classification?

GUIDELINES:

Question 4 asks whether the Executive's Budget Proposal or its supporting documentation presents expenditures for the budget year organized by economic classification. Economic classification provides information on the nature of the expenditure, such as whether funds are being used to pay for wages and salaries, capital projects, or social assistance benefits. Please note that a presentation of expenditures by current and capital expenditures without additional disaggregation or detail will not qualify as an economic classification.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by economic classification.

Answer:

a. Yes, expenditures are presented by economic classification.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

In Annex 1 of the budget speech on page 29 and on pages 20 to 22 of the budget estimates, expenditures are classified by economic classification.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

5. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by economic classification, is the economic classification compatible with international standards?

GUIDELINES:

Question 5 asks whether a country's economic classification meets international standards. To answer "a," a country's economic classification must be consistent with the International Monetary Fund's (IMF) 2014 Government Finance Statistics (GFS). The GFS economic classification is presented here: <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>. To learn more about Government Finance Statistics also refer to the entire IMF 2014 GFS manual (<https://www.imf.org/external/Pubs/FT/GFS/Manual/2014/gfsfinal.pdf>).

Answer:

a. Yes, the economic classification is compatible with international standards.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

MoFDP--Macroeconomic Department INVESTIGATIONS

Comment:

The economic classification used in the budget is compatible with GFS standards. Expenditures are broken down into standard categories such as Compensation of Employees, Use of Goods and Services, Interest, Subsidies, Grants, Social Benefits, and Other Expenses (see page 29, Annex 1 of the Budget Speech).

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

6. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the budget year?

GUIDELINES:

Question 6 asks whether expenditures are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should treat the term "program" as meaning any level of detail below an administrative unit – that is, any programmatic grouping that is below the ministry, department, or agency level. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, in the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures in the budget year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Budget decisions for the upcoming year can also affect the parameters of future budgets. It is therefore useful to estimate revenues and expenditures for multi-year periods, understanding that these estimates might be revised as circumstances change. Sometimes referred to as a Medium Term Expenditure Framework (MTEF), a three-year period – that is, the budget year plus two more years – is generally considered an appropriate horizon for budgeting and planning.

Answer:

c. Yes, programs accounting for less than two-thirds of expenditures are presented.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

MoFDP Budget Department

Comment:

The draft budget contains some program-level information, but it is not systematic or comprehensive enough to meet the criteria for options "a" or "b."

On page 43 of the PDF (page 42 of the document), the section titled "Recurrent Estimates by Programme and Activity" lists activities under seven high-level "programme" or functional headings. While a few activities resemble programmatic groupings, many—such as "Compensation of Employees"—are economic classifications rather than programs. The structure varies across ministries, and some activities appear multiple times without a clear definition or grouping.

Similarly, page 66 presents capital projects by ministry, but the projects are not organized into consistent program areas with defined objectives or nonfinancial indicators. Overall, less than two-thirds of expenditures can be clearly identified at a programmatic level, and the 7 "programme" classifications align more closely with policy-priority or functional categories (as noted in Question 2) rather than as a program structure.

While the development of the MTEF is a positive step in formulating the budget proposal, the program structure in the draft budget estimates remains limited. Greater clarity would come from:

- Using program headings that reflect operational service areas (e.g., primary health care, agricultural extension, rural roads);
- Ensuring program structures are consistent across ministries;
- Avoiding economic classifications (e.g., compensation of employees) as programs or activities;
- Including program objectives and performance indicators; and

-Providing a dedicated table with program totals and sub-program structure.

Given the current level of detail and inconsistency, the available information supports a score of "c", as less than two-thirds of expenditures are presented at a true program level.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

7. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two years beyond the budget year) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 7 asks if multi-year expenditure estimates are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative classification indicates who spends the money; functional classification indicates what purpose is the money spent; and economic classification displays what the money is spent on.

Answer "None of the above" applies if multi-year expenditure estimates are not presented by any of the three classifications.

Select all that apply:

Answer:

Administrative classification

Economic classification

Source:

https://www.budgetportal.gov.is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDd-638618159924795564.pdf

<https://www.budgetportal.gov.is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

Budget Estimates Book (2024/25): Page 23 onward: Shows allocations by ministries (administrative units) for 2024/25, and includes forward estimates for 2025/26 and 2026/27.

Budget Speech (2024/25): Page 21: Discusses multi-year projections and fiscal framework, confirming the inclusion of forward estimates.

This means the Executive's Budget Proposal provides multi-year expenditure estimates by administrative and economic classification, but not by functional classification.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

8. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by program?

GUIDELINES:

Question 8 asks if multi-year expenditure estimates are presented by program. There is no standard definition for the term "program," and the meaning can

vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term “program” to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health’s budget could be broken down into several subgroups, such as “primary health care,” “hospitals,” or “administration.” These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: “Program” level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer “a,” the Executive’s Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for at least two years beyond the budget year. To answer “b,” the programs shown individually in the Executive’s Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures over the multi-year period. A “c” answer applies if the Executive’s Budget Proposal or its supporting documentation presents multi-year estimates for programs that account for less than two-thirds of expenditures. Answer “d” applies if multi-year estimates are not presented by program.

Revenues generally are separated into two major categories: “tax” and “non-tax” revenues. Taxes are compulsory transfers that result from government exercising its sovereign power. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes. The category of non-tax revenues is more diverse, ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services. Note that some forms of revenue, such as contributions to social security funds, can be considered either a tax or non-tax revenue depending on the nature of the approach to these contributions. Particularly because different revenues have different characteristics, including who bears the burden of paying the tax and how collections are affected by economic conditions, it is helpful when estimates for revenues are disaggregated and displayed based on their sources.

For more information, please refer to the 2014 GFS manual, in particular Appendix 8 (pg. 385) (<https://www.imf.org/external/Pubs/FT/GFS/Manual/2014/gfsfinal.pdf>).

Answer:

c. Yes, multi-year estimates for programs accounting for less than two-thirds of expenditures are presented.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

On page 43 of the PDF (page 42 of the document), there is a breakdown of activities under each ministry, and page 66 provides a breakdown of the various capital projects under each ministry, both with forward-looking projections for 2025/26 and 2026/27, but given the level of detail and inconsistency, the available information supports a score of “c”, as less than two-thirds of expenditures are presented at a true program level.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

9. Does the Executive’s Budget Proposal or any supporting budget documentation present the individual sources of tax revenue (such as income tax or VAT) for the budget year?

GUIDELINES:

Question 9 assesses the degree to which the individual sources of “tax” revenue are disaggregated in the budget. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes.

To answer “a,” the Executive’s Budget Proposal or its supporting documentation must present all individual sources of tax revenue for the budget year, and “other” or “miscellaneous” revenue must account for three percent or less of all tax revenue. To answer “b,” the Executive’s Budget Proposal or its supporting documentation must present individual sources of tax revenue that when combined account for at least two-thirds of all tax revenue, but not all revenue. A “c” answer applies if the Executive’s Budget Proposal or its supporting documentation presents individual sources of tax revenue that account for less than two-thirds of tax revenues. Answer “d” applies if individual sources of tax revenue are not presented.

Answer:

a. Yes, individual sources of tax revenue accounting for all tax revenue are presented.

Source:

https://www.budgetportal.gov.Is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

Budget Estimates Book (2024/25): Page 13–14: Under the section “Revenue Estimates”, the document lists individual tax revenue sources such as:

Income Tax

Value Added Tax (VAT)

Customs Duties

Excise Duties

Other Revenue (which is further broken down by property income, Admin fees, fines, and incidentals)

Grants

SACU

Budget Speech (2024/25): Page 9–10: Provides narrative detail on major tax sources, including VAT, income tax, and customs revenue, confirming disaggregation.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

10. Does the Executive’s Budget Proposal or any supporting budget documentation present the individual sources of non-tax revenue (such as grants, property income, and sales of government-produced goods and services) for the budget year?

GUIDELINES:

Question 10 assesses the degree to which the individual sources of “non-tax” revenue are disaggregated in the budget. The category of non-tax revenues is diverse, and can include revenue ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services.

To answer “a,” the Executive’s Budget Proposal or its supporting documentation must present all individual sources of non-tax revenue for the budget year, and “other” or “miscellaneous” revenue must account for three percent or less of all non-tax revenue. To answer “b,” the Executive’s Budget Proposal or its supporting documentation must present individual sources of non-tax revenue that when combined account for at least two-thirds of all non-tax revenue, but not all revenue. A “c” answer applies if the Executive’s Budget Proposal or its supporting documentation presents individual sources of non-tax revenue that account for less than two-thirds of non-tax revenues. Answer “d” applies if individual sources of non-tax revenue are not presented.

Answer:

a. Yes, individual sources of non-tax revenue accounting for all non-tax revenue are presented.

Source:

https://www.budgetportal.gov.Is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

Pages 14–15: Under the section “Revenue Estimates”, the document lists individual non-tax revenue sources such as: Grants (from development partners); Property Income.

Pages 10–11: Provides narrative detail on major non-tax sources, including grants and property income, confirming disaggregation.

Peer Reviewer

Opinion:

Government Reviewer
Opinion: Agree

11. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:

Question 11 evaluates whether revenue estimates are presented for a multi-year period (at least two years beyond the budget year) by "category," that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of revenues classified by category for at least two years following the budget year in question.

Answer:

a. Yes, multi-year estimates of revenue are presented by category.

Source:

https://www.budgetportal.gov.Is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

Budget Estimates Book (2024/25): Pages 13–15: Shows revenue estimates broken down into tax and non-tax categories for the budget year 2024/25, and includes forward estimates for 2025/26 and 2026/27.

Budget Speech (2024/25): Pages 9–11: Discusses revenue projections by category (tax and non-tax) and confirms multi-year outlook as part of the fiscal framework.

Peer Reviewer
Opinion:

Government Reviewer
Opinion: Agree

12. Does the Executive's Budget Proposal or any supporting budget documentation present estimates for individual sources of revenue presented for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:

Question 12 evaluates whether revenue estimates for individual sources of revenue are presented for a multi-year period (at least two years beyond the budget year). The question applies to both tax and non-tax revenue.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented for a multi-year period.

Answer:

a. Yes, multi-year estimates for individual sources of revenue accounting for all revenue are presented.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

Budget Estimates Book (2024/25): Pages 13–15: Lists individual sources of tax revenue (Income Tax, VAT, Customs Duties, Excise Duties) and non-tax revenue (Grants, Property Income, Sales of Goods and Services) for 2024/25, and includes forward estimates for 2025/26 and 2026/27. Pages 9–11: Confirms multi-year projections for major revenue sources but does not fully disaggregate all minor sources.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

13. Does the Executive's Budget Proposal or any supporting budget documentation present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 13 asks about three key estimates related to borrowing and debt that the budget should include:

- *the amount of net new borrowing required during the entire budget year;*
- *the central government's total debt burden at the end of the budget year; and*
- *the interest payments on the outstanding debt for the entire budget year.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the IMF.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

Answer "None of the above" applies if no information on borrowing and debt is presented for the entire budget year.

Select all that apply:

Answer:

The amount of net new borrowing required during the budget year
The central government's total debt burden at the end of the budget year
The interest payments on outstanding debt for the budget year

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

On page 29 of the budget speech, the projected 2024/25 budget deficit of M1,044.3 million is provided, which can be considered as the amount of net new borrowing required. The same page also includes the interest payments of M1.0 billion.

Finally, the figure for total debt outstanding is not in the speech but in the Budget Estimates annex, listed under 321 – Public Debt for 2024/25 on page 19, with a further breakdown on page 35.

Peer Reviewer
Opinion:

Government Reviewer
Opinion: Agree

14. Does the Executive's Budget Proposal or any supporting budget documentation present information related to the composition of the total debt outstanding at the end of the budget year?

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

GUIDELINES:

Question 14 focuses on the composition of government debt at the end of the budget year, asking whether "core" information related to its composition is presented. These core components include:

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 13, domestic debt is held by a country's citizens, banks, and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance. Please make sure to specify in the comments.

Answer "None of the above" applies if no information is presented on the composition of the debt outstanding at the end of the budget year.

Select all that apply:

Answer:

Whether the debt is domestic or external

Source:

https://www.budgetportal.gov.Is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

The Draft Budget Estimates 2024/25 on page 35 provides a basic breakdown of domestic vs. external components of both interest payments and principal repayments of the debt. However, interest rates, maturity profiles, and detailed debt instrument information are not included. Therefore, only one of the core elements is presented.

Peer Reviewer
Opinion:

Government Reviewer
Opinion: Agree

15. Does the Executive's Budget Proposal or any supporting budget documentation present information on the macroeconomic forecast upon which the budget projections are based?

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

GUIDELINES:

Question 15 focuses on the macroeconomic forecast that underlies the budget's revenue and expenditure estimates, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- nominal GDP level;
- inflation rate;
- real GDP growth; and
- interest rates

While the core macroeconomic information should be a standard feature of the Executive's Budget Proposal, the importance of some types of macroeconomic assumptions may vary from country to country. For example, the budget estimates of some countries are particularly affected by changes in the price of oil and other commodities.

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short and long-term interest rates; rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth. Please specify in the comments.

Answer "None of the above" applies if no information on the macroeconomic forecast is presented.

Select all that apply:

Answer:

Inflation rate
Real GDP growth
Nominal GDP level

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Comment:

The Budget Speech 2024/25 includes a macroeconomic outlook with:

Nominal GDP levels for 2024/25 to 2026/27 (Annex I).
Real GDP growth projected at 2.0% for 2024/25.
Inflation rate projected to decline to 5.5% in 2024/25.
Interest rates are discussed in general terms, but no specific figures are provided.

Budget Speech: Pages 6–8 (macroeconomic outlook, GDP projections, inflation, growth). And page 29 includes total GDP.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer: Interest rates are also covered

IBP Comment

IBP thanks the government reviewer for their comment. Upon further review, IBP rechecked both the Budget Speech and supporting budget documentation and confirms that, while interest rates are mentioned in general terms, no specific numerical estimates are provided, as noted by the researcher. Since OBS methodology requires explicit estimates of the macroeconomic variables, in the absence of quantified figures for interest rates, and no additional evidence is provided, this requirement is not met, and the response is maintained.

16. "Does the Executive's Budget Proposal or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget?"

(The core information must include estimates of the impact on expenditures, revenue, and debt of different assumptions for the inflation rate, real GDP growth, and interest rates.)"

GUIDELINES:

Question 16 focuses on the issue of whether the Executive's Budget Proposal shows how different macroeconomic assumptions affect the budget estimates (known as a "sensitivity analysis"). It asks whether "core" information related to a sensitivity analysis is presented, estimating the impact on expenditures, revenue, and debt of different assumptions for:

- inflation rate;
- real GDP growth; and
- interest rates.

A sensitivity analysis shows the effect on the budget of possible changes in some macroeconomic assumptions, and is important for understanding the impact of the economy on the budget; for instance, what would happen to revenue collections if GDP growth were slower than what is assumed in the budget proposal? Or what would happen to expenditure if inflation were higher than estimated? Or how will revenue be affected by a decrease in the price of oil?

As noted for Question 15, changes in certain macroeconomic assumptions, such as the price of oil and other commodities, can have a significant impact on the budget estimates. As a result, some sensitivity analyses may also examine the impact on the budget estimates of changes in assumptions such as the price of oil that are beyond the core elements of the inflation rate, real GDP growth, and interest rates.

For an example of how a sensitivity analysis may be presented in the Executive's Budget Proposal, see the following:

- The United States in its 2023 Budget Analytical Perspectives includes a section titled Sensitivity of the Budget to Economic Assumptions along with Table 2-4, that shows the impact of each economic scenario on revenues, spending, and the deficit (see pages 25-27, <https://www.govinfo.gov/content/pkg/BUDGET-2023-PER/pdf/BUDGET-2023-PER.pdf>).
- The Philippines in its 2023 Budget of Expenditures and Sources of Financing (BESF) presents the impact of different macroeconomic assumptions on expenditures, revenue, and debt (see BESF F.Y. 2023, Table A6 Budget Sensitivity to Macroeconomic Parameters, 2023 <https://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2023/A6.pdf>, Technical Notes on the 2023 Proposed National Budget, <https://www.dbm.gov.ph/images/pdf/Technical-Notes-on-the-2023-Proposed-National-Budget.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to a "sensitivity analysis" as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to a "sensitivity analysis" is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on "sensitivity analysis" is presented.

Answer:

c. Yes, information is presented, but it excludes some core elements.

Source:

Fiscal Risk Statement: <https://finance.gov.ls/macroOfficialDocs/3>

Budget Speech: <https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

The Ministry of Finance has begun strengthening its fiscal risk management practices with the introduction of a Fiscal Risk Statement. However, because the document was published after the budget had already been approved, it is considered published too late under OBS methodology and therefore cannot be used as evidence for this question (see EBP-2).

The Budget Speech does include some macroeconomic information that is relevant for understanding assumptions, such as the projected inflation rate and real GDP growth. However, the documentation does not present a full sensitivity analysis. Key core elements are missing, including estimates of how changes in inflation, GDP growth, or interest rates would impact revenues or debt.

Because some macroeconomic assumptions are provided, but the analysis does not include the required core components showing their potential effects on the budget, the appropriate score for this question is "c."

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

17. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect expenditures?

GUIDELINES:

Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion of the impact of the new policies, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.

Answer:

c. Yes, information that shows how some but not all new policy proposals affect expenditure is presented.

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

https://www.budgetportal.gov.Is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Comment:

The EBP includes information on new policy proposals primarily through narrative discussion. The Budget Speech identifies several proposed policy changes for the budget year, including an across-the-board salary adjustment, automatic notch increases, adjustments to tax credits and brackets, and an increase in the old-age pension (Budget Speech, p. 27).

Additional narrative discussion of new policy directions and expenditure priorities appears under "Revenue and Expenditure Strategies" (Budget Speech, p. 9) and in the sector allocation sections of the Budget Speech (pg. 11–27). In some cases, expenditure amounts related to these initiatives can be identified by cross-referencing the Budget Speech with the Budget Estimates Book, particularly in the Capital Projects section (pg. 65–69) and in the Recurrent Estimates by Programme and Activity (pg. 42-57). For example, proposed investments in energy generation, such as Phase II of the Ramarothole Solar Plant and upgrades to the Katse Hydropower Plant, are discussed in the Budget Speech (p. 21, para. 15) and corresponding expenditure line items appear in the Budget Estimates (p. 68).

However, the documentation does not systematically and explicitly distinguish new policy proposals from existing policies, nor does it consistently present clear expenditure estimates for all new proposals in a consolidated or transparent manner. In several instances, projects appear to be reclassified across sectors or programs compared to the previous budget year, making it unclear whether the associated expenditures represent genuinely new policy initiatives or the continuation or restructuring of existing ones (e.g., sectoral shifts between Natural Resources and Energy).

As a result, while information is presented for some new policy proposals through narrative discussion and partial expenditure data, the budget does not provide comprehensive and clearly identified estimates showing how all new policy proposals affect expenditures. Accordingly, the appropriate score for this question is "c."

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

18. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect revenues?

GUIDELINES:

Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion of the impact of the new policies, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.

Prior-year information constitutes an important benchmark for assessing the proposals for the upcoming budget year. Estimates of prior years should be presented in the same formats (in terms of classification) as the budget year to ensure that year-to-year comparisons are meaningful. For example, if the budget proposes shifting responsibility for a particular program from one administrative unit to another – such as shifting responsibility for the training of nurses from the health department to the education department – the prior-year figures must be adjusted before year-to-year comparisons of administrative budgets can be made.

Typically, when the budget proposal is submitted, the year prior to the budget year (BY-1), also known as the current year, has not ended, so the executive will provide estimates of the anticipated outcome for BY-1. The soundness of these estimates is directly related to the degree to which they have been updated to reflect actual expenditures to date, legislative changes that have occurred, and anticipated changes in macroeconomic, caseload, and other relevant factors for the remainder of the year.

The first year that can reflect actual outcomes, therefore, is generally two years before the budget year (BY-2). Thus the OECD recommends that data covering at least two years before the budget year (along with two years of projections beyond the budget year) are provided in order to assess fully the trends in the budget.

Answer:

c. Yes, information that shows how some but not all new policy proposals affect revenues are presented.

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Strategy%20Paper%202024-2025%20-638605334225348286.pdf>

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

https://www.budgetportal.gov.Is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Comment:

The Executive's Budget Proposal includes narrative discussion of several new policy measures that may affect revenues, but it does not consistently present estimates showing the revenue impact of all new policy proposals.

The Budget Speech identifies adjustments to tax credits and tax brackets as part of the policy changes for the budget year (Budget Speech, p. 27), but it does not quantify their expected impact on revenues. Additional narrative discussion on revenue mobilization and fiscal consolidation appears under the fiscal strategy section (Budget Speech, pp. 8–9), including measures such as digitization of tax administration, revision of fees and charges, development of a medium-term revenue strategy, and revisions to the oil levy. In some cases, potential revenue effects can be inferred by linking these proposals to specific revenue line items in the Budget Estimates, such as the Oil Levy and Motor Vehicle Assurance (p. 17) and ICT-related revenues, including broadcasting licenses and advertising (p. 15).

However, the documentation does not clearly distinguish new revenue measures from existing policies, nor does it systematically quantify their incremental impact on revenues for the budget year. As a result, information is presented for only some new policy proposals, and the appropriate score for this question is "c."

Peer Reviewer
Opinion:

Government Reviewer
Opinion: Agree

19. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 19 asks if expenditure estimates for the year prior to the budget year (BY-1) are presented by one of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative classification indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-1 by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-1 must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-1 are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-1 are not presented by any of the three classifications.

Answer:

b. Yes, expenditure estimates for BY-1 are presented by two of the three expenditure classifications.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Comment:

Economic classification:

Page 2 – Recurrent and development expenditures for 2023/24 (BY-1) include categories like compensation, transfers, interest, and asset acquisition.

Administrative classification:

Pages 20–70 – Expenditures by ministry (e.g., Health, Finance, Education) for 2023/24 are shown.

Functional classification:

While expenditures are grouped thematically in several sections (pp. 13–15 and 43–57), using categories such as "Strengthening Human Capital" and "Building Enabling Infrastructure," these groupings are not presented by the Ministry of Finance as a formal functional classification. In addition, the documentation does not provide a consolidated table showing total expenditures by function for BY-1. Without a standardized functional framework or a clear summary of totals by function, it is not easily possible to compare functional spending across years or assess consistency in functional categories over time.

Accordingly, for the purposes of this question, only economic and administrative classifications are considered to meet OBS criteria, and the appropriate response is "b."

Peer Reviewer
Opinion:

Government Reviewer
Opinion: Agree

20. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the year preceding the

budget year (BY-1)?

GUIDELINES:

Question 20 asks if expenditure estimates for the year before the budget year (BY-1) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-1. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-1. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Answer:

c. Yes, programs accounting for less than two-thirds of expenditures are presented for BY-1.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Comment:

On page 43 of the PDF (page 42 of the document), several activities resemble programmatic groupings, and page 66 presents capital projects by ministry, which also provide some program-level information. Both include comparative figures for the 2023/24 budget (BY-1). However, together they account for less than two-thirds of total expenditures presented at a programmatic level.

Additionally, the more program-oriented Budget Estimates Book was published too late to be considered for this question under OBS methodology.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

21. In the Executive's Budget Proposal or any supporting budget documentation, have expenditure estimates of the year prior to the budget year (BY-1) been updated from the original enacted levels to reflect actual expenditures?

GUIDELINES:

Question 21 asks whether the expenditure estimates for the year before the budget year (BY-1) have been updated from the original enacted levels. Updates can reflect actual experience to date; revised estimates due to shifting of funds by the executive, as permitted under the law; enactment of supplemental budgets; and revised assumptions regarding macroeconomic conditions, caseload, and other relevant factors for the remainder of the year.

Answer "a" applies if the estimates have been updated; answer "b" applies if the original estimates are still being used.

Answer:

a. Yes, expenditure estimates for BY-1 have been updated from the original enacted levels.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Appropriations Act 2023/2024: <https://www.budgetportal.gov.ls:7024/PDFDocuments/Appropriation%202023-24%20Act%202023->

638605229685733754.pdf

Comment:

In Annex I of the Budget Speech (page 29), the column labeled "Projection 2023/24" presents updated expenditure figures for BY-1. When these projections are compared with the enacted amounts in the 2023/24 Appropriations Act and with the "Budget 2023/24" column in Annex III (page 31), the numbers differ. This indicates that the figures in Annex I reflect updated estimates for 2023/24 rather than the original enacted levels.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

22. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure for more than one year prior to the budget year (that is, BY-2 and prior years) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 22 asks if expenditure estimates for more than one year prior to the budget year (BY-2 and prior years) are presented by any of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative classification indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer, the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-2 and prior years. Answer "None of the above" applies if expenditure estimates for BY-2 and prior years are not presented by any of the three classifications.

Select all that apply:

Answer:

Economic classification for BY-2 and prior years

Source:

https://www.budgetportal.gov.Is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

In the Budget Speech (Annex I, page 29), the only historical figures provided for BY-2 (2022/23) appear under economic classification in the column labeled "Actual 2022/23." No corresponding BY-2 information is presented by administrative or functional classification. Additionally, the draft Budget Estimates Book does not include any expenditure figures for FY 2022/23 in any classification. Therefore, BY-2 data are available only for economic classification.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

23. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for more than one year preceding the budget year (that is, BY-2 and prior years)?

GUIDELINES:

Question 23 asks if expenditure estimates for more than one year before the budget year (BY-2 and prior years) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-2 and prior years. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-2 and prior years. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Answer:

d. No, expenditures are not presented by program for BY-2 and prior years.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Comment:

The draft Budget Estimates Book does not include any expenditure figures by program for FY 2022/23 (BY-2).

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

24. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?

GUIDELINES:

Question 24 asks for which year the actual outcomes for expenditures are shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated all its expenditure data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.

For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.

Answer:

a. Two years prior to the budget year (BY-2).

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20book%202024_25%20Final-638618149122303845.pdf

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

In the Budget Speech (Annex I, page 29), historical figures provided for BY-2 (2022/23) under the column labeled "Actual 2022/23" reflect the most recent year for which all expenditures reflect actual outcomes.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

25. Does the Executive's Budget Proposal or any supporting budget documentation present revenue by category (such as tax and non-tax) for the year preceding the budget year (BY-1)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, revenue estimates for BY-1 are presented by category.

Source:

https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20book%202024_25%20Final-638618149122303845.pdf

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

Based on the budget speech, Annex 1, page 29, provides revenue amounts for tax and non-tax purposes for 2023/24, as well as in the Budget estimates from pages 3-18.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

26. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for the year preceding the budget year (BY-1)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-1.

Source:

https://www.budgetportal.gov.Is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

See Annex 1, page 29 of the Budget Speech. Individual sources of revenue are presented for the 2023/24 (BY-1) budget.

Examples of Individual Revenue Sources:

Income Tax

Value Added Tax (VAT)

Customs and Excise

Grants from development partners
Fees and charges
Dividends from state-owned enterprises

Miscellaneous and unidentified revenue accounts for less than 3% (1%) of "Other revenue" for FY 2023/24.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

27. In the Executive's Budget Proposal or any supporting budget documentation, have the original estimates of revenue for the year prior to the budget year (BY-1) been updated to reflect actual revenue collections?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, revenue estimates for BY-1 have been updated from the original enacted levels.

Source:

https://www.budgetportal.gov.Is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

In Annex I of the Budget Speech (page 29), the column labeled "Projection 2023/24" presents revenue figures for BY-1. When these projections are compared with the revenue amounts in the 2023/24 Appropriations Act and with the "Budget 2023/24" column in Annex III (page 31), the numbers differ. This indicates that the figures in Annex I reflect updated revenue projections for 2023/24 rather than the original enacted levels.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

28. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for more than one year prior to the budget year (that is, BY-2 and prior years)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, revenue estimates for BY-2 and prior years are presented by category.

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

In the Budget Speech (Annex I, page 29), revenue figures are provided for BY-2 (2022/23) in the column labeled "Actual 2022/23."

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

29. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for more than one year prior to the budget year (that is, BY-2 and prior years)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

b. Yes, individual sources of revenue accounting for at least two-thirds of, but not all, revenue are presented for BY-2 and prior years.

Source:

<https://www.budgetportal.gov.is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

Budget speech Annex 1 on page 29, individual sources of revenue are provided for 2022/23 (BY-2).

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

30. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Two years prior to the budget year (BY-2).

Source:

<https://www.budgetportal.gov.is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

In the Budget Speech (Annex I, page 29), historical figures provided for BY-2 (2022/23) under the column labeled "Actual 2022/23" reflect the most recent year for which all revenue reflects actual outcomes.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

31. "Does the Executive's Budget Proposal or any supporting budget documentation present information on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1)?"

(The core information must include the total debt outstanding at the end of BY-1; the amount of net new borrowing required during BY-1; interest payments on the debt; interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

GUIDELINES:

Question 31 focuses on prior-year debt information, rather than on prior-year expenditures or revenues, asking whether "core" information is provided on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1).

The "core" information includes:

- total debt outstanding at the end of BY-1;
- amount of net new borrowing required during BY-1;
- interest payments on the debt;
- interest rates on the debt instruments;
- maturity profile of the debt; and
- whether it is domestic or external debt.

This core information for BY-1 is consistent with the budget year information for borrowing and debt, which is examined in Questions 13 and 14. Please note that for the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

In addition, some governments provide information beyond the core elements, such as gross new borrowing required during BY-1; currency of the debt; whether the debt carries a fixed or variable interest rate; whether it is callable; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); where appropriate, what the debt is being used to finance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to government borrowing and debt, including its composition, for BY-1 as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to government borrowing and debt, including its composition, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on government borrowing and debt for BY-1.

Answer:

c. Yes, information is presented, but it excludes some core elements.

Source:

https://www.budgetportal.gov.is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

There is partial information on government borrowing and debt for the year preceding the budget year (BY-1: FY 2023/24). In the Budget Speech (pg 11), the government reports the total debt stock as of January 2024 (M22.9 billion), along with its composition between external (M19.0 billion) and domestic (M3.8 billion) debt. The narrative also provides figures that allow for an approximate understanding of net new borrowing, including new external borrowing (M1.1 billion), capital repayments, and the net decrease in domestic debt. In addition, the speech reports on debt service during the year, estimating that total debt service will reach M3.4 billion by the end of FY 2023/24.

While this information contributes to understanding the debt position in BY-1, the documentation does not provide several core elements required for a full sensitivity analysis, including interest rates on the debt instruments and the maturity profile of the debt.

Peer Reviewer
Opinion:

Government Reviewer
Opinion: Agree

32. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?

GUIDELINES:

Question 32 asks for which year the actual outcome for total debt outstanding is shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated its debt data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.

For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.

It is essential that all government activities that may have an impact on the budget – in the current budget year or in future budget years – be fully disclosed to the legislature and the public in budget documents. In some countries, for instance, entities outside central government (such as public corporations) undertake fiscal activities that could affect current and future budgets. Similarly, activities that can have a significant impact on the budget, such as payment arrears and contingent liabilities, sometimes are not properly captured by the regular presentations of expenditure, revenue, and debt.

Answer:

a. Two years prior to the budget year (BY-2).

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDd-638618159924795564.pdf

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

In the Budget Speech (Annex I, page 29), historical figures provided for BY-2 (2022/23) under the column labeled "Actual 2022/23" provide the figure for Cash Surplus / Deficit for 2022/23 (A deficit of 1,613.1).

Peer Reviewer
Opinion:

Government Reviewer
Opinion: Agree

33. "Does the Executive's Budget Proposal or any supporting budget documentation present information on extra-budgetary funds for at least the budget year?

(The core information must include a statement of purpose or policy rationale for the extra-budgetary fund; and complete income, expenditure, and financing data on a gross basis.)"

GUIDELINES:

Question 33 focuses on extra-budgetary funds, asking whether "core" information related to these funds, which exist outside the budget, are presented. These core components include:

- *a statement of purpose or policy rationale for the extra-budgetary fund (i.e., why was a particular fund set up? what is it used for?); and*
- *estimates of its income, expenditure, and financing. (These estimates should be presented on a gross basis so that it is possible to tell how much money flows through each extra-budgetary fund.)*

In most countries, governments engage in certain budgetary activities that are not included in the central government's budget. Known as extra-budgetary funds, they can range in size and scope. For example, countries frequently set up pension and social security programs as extra-budgetary funds, where the revenues collected and the benefits paid are recorded in a separate fund outside the budget. Another example of an extra-budgetary fund can be found in countries dependent on hydrocarbon/mineral resources, where revenues from producing and selling those resources are channeled through systems outside the annual budget.

In some cases, the separation engendered by an extra-budgetary fund serves a legitimate political purpose, and the finances and activities of these funds are well documented. In other cases, however, this structure is used for obfuscation, and little or nothing is known about a fund's finances and activities.

The availability of information related to extra-budgetary funds is essential for a comprehensive understanding of the government's true fiscal position. In addition to the core information, other information about extra-budgetary funds is also desirable. Such information includes a discussion of the risks associated with the extra-budgetary fund; expenditures classified by economic, functional, or administrative unit; and the rules and procedures that govern the operations and management of the extra-budgetary fund.

For more information about extra-budgetary funds, see the Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 2.1.1 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to extra-budgetary funds as well as some additional information beyond the core elements. A "b" answer applies if the Executive's Budget Proposal or supporting documentation presents all of the core information. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to extra-budgetary funds is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on extra-budgetary funds. Finally, answer "e" can be used if there is clear evidence that extra-budgetary funds do not exist. However, if such funds do exist but are not reported, the appropriate answer would be "d," not "e."

Please provide in the comments a list of all known extra-budgetary funds.

Answer:

d. No, information related to extra-budgetary funds is not presented.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

According to the MoFDP's Department of Private Sector Development and Financial Affairs (PSD&FA), there are approximately 24 extra-budgetary units. However, none of the available budget documents provide information on their purpose, policy rationale, or any income, expenditure, or financing data.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

34. Does the Executive's Budget Proposal or any supporting budget documentation present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year?

GUIDELINES:

Question 34 asks whether the Executive's Budget Proposal or supporting documents present the finances of the central government on a consolidated basis, showing both its budgetary and extra-budgetary activities. Virtually all of the questions in the OBS questionnaire focus on budgetary central government – the activities of the ministries, departments, or agencies of central government. In addition, Question 33 asks about extra-budgetary funds, such as social security funds that are not included in the budget.

Coverage is an important aspect of fiscal reporting. Budget documents should cover the full scope of government's financial activity. In many countries, extra-budgetary activities are substantial, and can represent a sizable share of the central government's activities. To get a full picture of the central government's

finances, therefore, it is necessary to examine both activities that are included in the budget and those that are extra-budgetary. This question asks whether such a consolidated presentation of central government finances, including both revenues and expenditures, is provided.

The central government is only one component of the overall public sector. The public sector also includes other levels of government, such as state and local government, and public corporations. (See Box 2.1 under Principle 1.1.1 of the IMF's Fiscal Transparency Handbook (2018): <https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) For the purpose of answering this question, please consider only the central government level.

In order to answer "a," the Executive's Budget Proposal or supporting documentation must present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year.

Answer:

b. No, central government finances are not presented on a consolidated basis.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Comment:

Non-official sources do indicate presence of extra-budgetary funds.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

35. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of intergovernmental transfers for at least the budget year?

GUIDELINES:

Question 35 asks about intergovernmental transfers. In many cases, the central government supports the provision of a good or service by a lower level of government through an intergovernmental transfer of funds. This is necessary because, independent from the level of administrative decentralization that exists in a given country, the capacity for revenue collection of a local government is unlikely to be sufficient to pay for all its expenses. However, because the activity is not being undertaken by an administrative unit of the central government, it is unlikely to receive the same level of review in the budget. Thus it is important to include in the budget proposal a statement that explicitly indicates the amount and purposes of these transfers.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all intergovernmental transfers and a narrative discussing these transfers. If a narrative discussion is not included, but estimates for all intergovernmental transfers are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, intergovernmental transfers (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of intergovernmental transfers are presented.

Answer:

c. Yes, estimates of some but not all intergovernmental transfers are presented.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Comment:

There is some evidence of intergovernmental transfers for the budget year, but the Executive's Budget Proposal does not present a comprehensive overview of all such transfers. The EBP includes a lump-sum line under the Ministry of Local Government titled "Current Grants Paid to Local Governments" (p. 21), which indicates a transfer from the central government to subnational governments. In the context of Lesotho's intergovernmental financing system, where the Ministry of Local Government provides block grants to councils that are not direct budget entities within the MoFDP, this line reasonably qualifies as an intergovernmental transfer rather than a ministerial program expenditure or another form of spending. However, because the EBP does not consolidate or fully enumerate all intergovernmental transfers, the appropriate score is "c."

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

36. Does the Executive's Budget Proposal or any supporting budget documentation present alternative displays of expenditures (such as by gender, by age, by income, or by region) to illustrate the financial impact of budget policies on different groups of citizens, for at least the budget year?

GUIDELINES:

Question 36 asks about "alternative displays" of expenditures that highlight the financial impact of policies on different groups of citizens. As discussed above, expenditures are typically presented by at least one of three classifications – administrative, functional, and economic classifications (see Questions 1-5) – and by individual program (Question 6). In addition, governments can provide alternative displays to emphasize different aspects of expenditure policies and to show who benefits from these expenditures.

For the purpose of answering this question, the alternative presentation must differ from the presentations (such as administrative, functional, or economic classifications or presentation by program) used to answer other questions. The alternative display can cover all expenditures or only a portion of expenditures. For instance, it can show how all expenditures are distributed according to geographic region or it can show how selected expenditures (such as the health budget or the agriculture budget) are distributed to different regions. But such a geographic display must be something different than the presentation of intergovernmental transfers used to answer question 35. One exception is when a country includes a special presentation of all policies intended to benefit the most impoverished populations (and is used to answer Question 52) then that can be considered an alternative display for purposes of answering this question as well. Finally, brief fact sheets showing how proposals in the budget benefit particular groups would be insufficient; only more detailed presentations would be considered.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?"

(<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of the importance of alternative displays of budget information and provides a number of examples. For instance,

- Bangladesh in its 2017-18 Budget included a detailed supplementary Gender Budgeting Report, which presents the spending dedicated to advancing women across various departments. (<https://mof.portal.gov.bd/site/page/3bb14732-b5b1-44df-9921-efedf1496295>).
- The UK's 2017 budget included a supplementary analysis that provided a distributional analysis of the budget by households in different income groups (see https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661465/distributional_analysis_autumn_budget_2017.pdf)
- South Africa's 2017 Budget Review goes beyond the standard presentation of intergovernmental transfers, discussing the redistribution that results from national revenue flowing to the provinces and municipalities and presenting the allocations on a per capita basis (see chapter 6, <http://www.treasury.gov.za/documents/national%20budget/2017/review/FullBR.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must include at least three different presentations that illustrate the financial impact of policies on different groups of citizens for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must include at least two different alternative displays of expenditures. A "c" applies if only one type of alternative display of expenditure is presented. Answer "d" applies if no alternative display of expenditure is presented.

Answer:

Impacts of budget policies by geographic region

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Comment:

The Draft Budget contains some references to cross-cutting themes such as gender, youth, poverty, and climate within individual ministerial budgets (pg 42-57). In practice, these appear as sub-topics within program structures—for example, under headings such as "Cross-Cutting Issues: Poverty, Gender, and Climate", where specific activities (e.g., youth engagement or social support initiatives) are listed within a ministry's budget.

However, these references are presented within existing program and activity classifications and are not organized as consolidated or standalone alternative displays that demonstrate how overall budget policies affect specific groups. The extent of thematic coverage also differs across

ministries, with more detailed treatment in some areas (such as Gender, Youth, and Social Development) than others, rather than being applied consistently across the entire budget.

In contrast, the budget does provide a clearer alternative display by geographic region. The section "Capital Estimates by Ministry and Location" (pp. 58–60) presents capital expenditures by district, offering a structured regional breakdown that is distinct from administrative or program-based classifications.

In line with OBS methodology, program- or activity-level references to gender, youth, or climate within ministerial budgets do not qualify as alternative expenditure displays unless they provide a comprehensive, cross-budget analysis of impacts. As alternative displays are therefore limited primarily to regional allocations, only geographic region is selected for this indicator

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

37. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of transfers to public corporations for at least the budget year?

GUIDELINES:

Question 37 asks about transfers to public corporations. It is often the case that governments have a stake in enterprises that manage resources that are particularly relevant for the public good (such as electricity, water, and oil). While these public corporations can operate independently, in some cases the government will provide direct support by making transfers to these corporations, including to subsidize capital investment and operating expenses.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all transfers to public corporations and a narrative discussing the purposes of these transfers. If a narrative discussion is not included, but estimates for all transfers to public corporations are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, transfers to public corporations (regardless of whether it also includes a narrative discussion). Answer "c" also applies if estimates of transfers to public corporations are presented as a single line item. Answer "d" applies if no estimates of transfers to public corporations are presented.

Please provide in the comments a list of all known public corporations.

Answer:

c. Yes, estimates of some but not all transfers to public corporations are presented.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDd-638618159924795564.pdf

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

Available budget documentation indicates that some transfers to public corporations are presented for the budget year. Lesotho has a large and diverse public corporation sector, comprising numerous state-owned enterprises across multiple ministries, including statutory, financial, and non-financial public corporations.

A review of the Draft Budget Estimates identifies a limited number of explicit transfer allocations to public corporations. Notably, a specific subvention is provided to the Lesotho Tourism Development Corporation (LTDC). In addition, transfers to public corporations are reflected through lump-sum line items titled "471101 – Subsidies – Non-Financial Public Corporations" and "471111 – Subsidies – Non-Financial Public Corporations," which appear under the Recurrent Estimates by Item (p. 21) and also appear within selected ministerial estimates (Recurrent Estimates by Ministry and Item, p. 23).

While the Budget Speech references planned support or activities related to other public corporations, such as LNDC and BEDCO (pp. 13–14), these references are not accompanied by clearly identifiable transfer estimates in the budget tables.

Taken together, the documentation provides evidence of transfers to some public corporations, but does not present a comprehensive or

consolidated account of transfers to all public corporations, which meets the criteria for a “c” response under OBS methodology.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

38. Does the Executive’s Budget Proposal or any supporting budget documentation present information on quasi-fiscal activities for at least the budget year?

(The core information must include a statement of purpose or policy rationale for the quasi-fiscal activity and the intended beneficiaries.)

GUIDELINES:

Question 38 focuses on quasi-fiscal activities, asking whether “core” information related to such activities is presented. These core components include:

- *A statement of purpose or policy rationale for the quasi-fiscal activity (i.e., what is the reason for engaging in this activity?);*
- *The identification of intended beneficiaries of the quasi-fiscal activity.*

The term “quasi-fiscal activities” refers to a broad range of activities that are fiscal in character and could be carried out through the regular budget process but are not. For example, a quasi-fiscal activity could take place if, instead of providing a direct subsidy through the budget for a particular activity, a public financial institution provides an indirect subsidy by offering loans at below-market rates for that activity. Similarly, it is a quasi-fiscal activity when an enterprise provides goods or services at prices below commercial rates to certain individuals or groups to support the government’s policy goals.

The above examples are policy choices that may be approved by the government and legislature. However, quasi-fiscal activities can also involve activities that violate or circumvent a country’s budget process laws or are not subject to the regular legislative approval process for expenditures. For example, the executive may issue an informal order to a government entity, such as a public commercial enterprise, to provide the executive with goods and services that normally would have to be purchased with funding authorized by the legislature. All quasi-fiscal activities should be disclosed to the public and subject to public scrutiny.

Beyond the core information, some governments may also provide other information about quasi-fiscal activities, including for example: the anticipated duration of the quasi-fiscal activity; a quantification of the activity and the assumptions that support these estimates; and a discussion of the fiscal significance and potential risks associated with the activity, including the impact on the entity carrying out the activity. Principle 3.3.2 of the IMF’s Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) provides examples of quasi-fiscal activities that can be consulted as needed. And more details on quasi-fiscal activities can be found in the Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).

To answer “a,” the Executive’s Budget Proposal or supporting documentation must present all of the core information related to all quasi-fiscal activities for at least the budget year as well as some additional information beyond the core elements. To answer “b,” the Executive’s Budget Proposal or supporting documentation must present all of the core components noted above. Answer “b” is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A “c” answer applies if some information related to quasi-fiscal activities is presented, but some of the core pieces of information are not included. Answer “d” applies if no information is presented on quasi-fiscal activities.

If quasi-fiscal activities do not represent a significant problem in your country, please mark “e.” However, please exercise caution in answering this question.

Answer:

c. Yes, information is presented, but it excludes some core elements or some quasi-fiscal activities.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Comment:

Some information related to quasi-fiscal activities is presented for the budget year, though it is partial and not systematically disclosed. The Budget Speech describes several government-led initiatives that pursue policy objectives through mechanisms outside the standard budget subsidy framework.

For example, the documentation refers to large-scale development and financing initiatives implemented through public entities and partnerships, such as the MCA Lesotho investment program supporting commercial horticulture through anchor-farmer models, concessional arrangements, and partnerships with smallholder farmers. These initiatives aim to stimulate investment, employment, and import substitution, and involve public

facilitation of financing rather than direct, on-budget subsidies (pg 13-15).

In addition, the budget outlines plans to work with academia and other stakeholders to mobilize innovative financing instruments, including carbon trading, impact funds, special purpose vehicles, and green bond markets, to finance development projects. These approaches suggest the use of indirect fiscal instruments and off-budget mechanisms to advance government policy goals.

While these examples provide insight into the purpose and intended beneficiaries of certain activities that may be quasi-fiscal in nature, the documentation does not clearly identify them as quasi-fiscal activities, nor does it consistently disclose their fiscal costs, financial terms, duration, or associated risks. Many of these initiatives are discussed narratively and are not reflected as explicit line items in the budget estimates.

Accordingly, the budget presents some information related to quasi-fiscal activities, but does not include all core elements for all such activities, supporting a conservative assessment of "c."

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

39. Does the Executive's Budget Proposal or any supporting budget documentation present information on financial assets held by the government for at least the budget year?

(The core information must include a listing of the assets, and an estimate of their value.)

GUIDELINES:

Question 39 focuses on financial assets held by the government, asking whether "core" information related to these assets is presented. These core components include:

- *A listing of the financial assets; and*
- *An estimate of their value.*

Governments own financial assets such as cash, bonds, or equities. Unlike private sector businesses, however, few governments maintain balance sheets that show the value of their assets and liabilities.

Beyond the core information, some governments may also provide other information about financial assets, including for example: a discussion of their purpose; historical information on defaults; differences between reported values and market values; and a summary of financial assets as part of the government's balance sheet.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to all financial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to financial assets is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on financial assets held by the government.

Answer:

c. Yes, information is presented, but it excludes some core elements or some financial assets.

Source:

https://www.budgetportal.gov/Is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Comment:

The budget presents partial information on financial assets (pg 1), including acquisitions and returns from public corporations, as well as income from property and rentals. However, it lacks a complete listing and valuation of all financial assets held by the government, and does not include a balance sheet or narrative explanation.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

40. Does the Executive's Budget Proposal or any supporting budget documentation present information on nonfinancial assets held by the government for at least the budget year?

(The core information must include a listing of the assets by category.)

GUIDELINES:

Question 40 focuses on nonfinancial assets held by the government, asking whether "core" information related to these assets is presented. The core information is a listing of nonfinancial assets, grouped by the type (or category) of asset.

Nonfinancial assets are things of value that the government owns or controls (excluding financial assets) such as land, buildings, and machinery. The valuation of public nonfinancial assets can be problematic, particularly in cases where the asset is not typically available on the open market (such as a government monument). In these cases, it is considered acceptable to provide summary information in budget documents from a country's register of assets. But, in some cases, governments are able to value their nonfinancial assets; some present a summary of nonfinancial assets as part of their balance sheets. For an example of how nonfinancial assets are presented in one of the many supporting documents to the New Zealand Executive's Budget Proposal, see the Forecast Financial Statement 2011, Notes to the Financial Statements (Continued), Note 14, accessible here: <https://treasury.govt.nz/sites/default/files/2011-05/befu11-pt6of8.pdf>.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year a listing by category of all nonfinancial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to nonfinancial assets is presented, but some nonfinancial assets are not included. Answer "d" applies if no information is presented on nonfinancial assets held by the government.

Answer:

d. No, information related to nonfinancial assets is not presented.

Source:

https://www.budgetportal.gov.is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Comment:

The budget documents do not present a single category or table that lists the stock of non-financial assets held by the government.

For q40, the OBS requires information on the value of the assets the government owns (e.g., land, buildings, machinery), not just capital expenditure or acquisition. No asset register or balance sheet is presented.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

41. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure arrears for at least the budget year?

GUIDELINES:

Question 41 asks about estimates of expenditure arrears, which arise when government has entered into a commitment to spend funds but has not made the payment when it is due (For more information see sections 3.71 (page 50) and 7.247 (page 209) of the IMF's GFS Manual 2014 <https://www.imf.org/external/Pubs/FT/GFS/Manual/2014/qfsfinal.pdf>). Though equivalent to borrowing, this liability is often not recorded in the budget, making it difficult to assess fully a government's financial position. Moreover, the obligation to repay this debt affects the government's ability to pay for other activities.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all expenditure arrears and a narrative discussing the arrears. If a narrative discussion is not included, but estimates for all expenditure arrears are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, expenditure arrears (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of expenditure arrears are presented. Answer "d" also applies if information is only available for the changes in arrears, and not the stock or balance of arrears.

If expenditure arrears do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question. Public expenditure management laws and regulations often will allow for reasonable delays, perhaps 30 or 60 days, in the routine payment of invoices due. Expenditure arrears impacting a small percentage of expenditure that are due to contractual disputes should not be considered a significant problem for the purpose of answering this question.

Answer:

d. No, estimates of expenditure arrears are not presented.

Source:

https://www.budgetportal.gov.is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Comment:

The budget does not include estimates or a narrative on expenditure arrears. While arrears repayments are shown (the flow), there is no indication of unpaid obligations (the stock) carried over from previous years; therefore, since there is only information available for the changes in arrears and not the stock or balance of arrears, a "d" applies.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

42. Does the Executive's Budget Proposal or any supporting budget documentation present information on contingent liabilities, such as government loan guarantees or insurance programs, for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each contingent liability; the new guarantees or insurance commitments proposed for the budget year; and the total amount of outstanding guarantees or insurance commitments (the gross exposure) at the end of the budget year.)

GUIDELINES:

Question 42 focuses on contingent liabilities, asking whether "core" information related to these liabilities is presented. These core components include:

- a statement of purpose or policy rationale for each contingent liability;
- the new contingent liabilities for the budget year, such as new guarantees or insurance commitments proposed for the budget year; and
- the total amount of outstanding guarantees or insurance commitments at the end of the budget year. This reflects the gross exposure of the government in the case that all guarantees or commitments come due (even though that may be unlikely to occur).

Contingent liabilities are recognized under a cash accounting method only when the contingent event occurs and the payment is made. An example of such liabilities is the case of loans guaranteed by the central government, which can include loans to state-owned banks and other state-owned commercial enterprises, subnational governments, or private enterprises. Under such guarantees, government will only make a payment if the borrower defaults. Thus a key issue for making quantitative estimates of these liabilities is assessing the likelihood of the contingency occurring.

In the budget, according to the OECD, "[w]here feasible, the total amount of contingent liabilities should be disclosed and classified by major category reflecting their nature; historical information on defaults for each category should be disclosed where available. In cases where contingent liabilities cannot be quantified, they should be listed and described."

Beyond the core information, some governments may also provide other information about contingent liabilities, including for example: historical default rates for each program, and likely default rates in the future; the maximum guarantee that is authorized by law; any special financing associated with the guarantee (e.g., whether fees are charged, whether a reserve fund exists for the purpose of paying off guarantees, etc.); the duration of each guarantee; and an estimate of the fiscal significance and potential risks associated with the guarantees.

For more details on contingent liabilities, see *Guide to Transparency in Public Finances: Looking Beyond the Core Budget* (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and page 59 (Box 11) and Principle 3.2.3 of the IMF's *Fiscal Transparency Handbook* (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to contingent liabilities as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to contingent liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on contingent liabilities.

Answer:

d. No, information related to contingent liabilities is not presented.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

Comment:

The 2024/25 Budget Book does not present information on contingent liabilities. There is no disclosure of guarantees, insurance programs, or other contingent commitments, nor any estimates of their value or associated risks.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

43. Does the Executive's Budget Proposal or any supporting budget documentation present projections that assess the government's future liabilities and the sustainability of its finances over the longer term?

(The core information must cover a period of at least 10 years and include the macroeconomic and demographic assumptions used and a discussion of the fiscal implications and risks highlighted by the projections.)

GUIDELINES:

Question 43 focuses on government's future liabilities and the sustainability of its finances over the longer-term, asking whether "core" information related to these issues is presented. These core components must include:

- Projections that cover a period of at least 10 years.
- The macroeconomic and demographic assumptions used in making the projections.
- A discussion of the fiscal implications and risks highlighted by the projections. Good public financial management calls for budgets to include fiscal sustainability analyses.

The IMF's *Fiscal Transparency Handbook* (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) recommends that governments regularly publish the projected evolution of the public finances over the longer term (see Principle 3.1.3.). Future liabilities are a particularly important element when assessing the sustainability of public finances over the long term. Future liabilities are the result of government commitments that, unlike contingent liabilities, are virtually certain to occur at some future point and result in an expenditure. A typical example consists of government obligations to pay pension benefits or cover health care costs of future retirees. Under a cash accounting system, only current payments associated with such obligations are recognized in the budget. To capture the future impact on the budget of these liabilities, a separate statement is required.

Beyond the core information, some governments may also provide other information about the sustainability of their finances, including for example: projections that cover 20 or 30 years; multiple scenarios with different sets of assumptions; assumptions about other factors (such as the depletion of natural resources) that go beyond just the core macroeconomic and demographic data; and a detailed presentation of particular programs that have long time horizons, such as civil service pensions.

For more details on future liabilities, see *Guide to Transparency in Public Finances: Looking Beyond the Core Budget* (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to future liabilities and the sustainability of government finances over the longer term as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to future liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on future liabilities and the sustainability of government's finances

Answer:

d. No, information related to future liabilities and the sustainability of finances over the longer term is not presented.

Source:

https://www.budgetportal.gov.Is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

The Budget Speech presents medium-term fiscal projections and outlines a fiscal strategy, including debt and deficit targets. However, it lacks 10-year projections, demographic assumptions, and detailed analysis of long-term liabilities and fiscal risks.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

44. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of the sources of donor assistance, both financial and in-kind, for at least the budget year?

GUIDELINES:

Question 44 asks about estimates of donor assistance, both financial and in-kind assistance. Such assistance is considered non-tax revenue, and the sources of this assistance should be explicitly identified. In terms of in-kind assistance, the concern is primarily with the provision of goods (particularly those for which there is a market that would allow goods received as in-kind aid to be sold, thereby converting them into cash) rather than with in-kind aid like advisors from a donor country providing technical assistance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all donor assistance and a narrative discussing the assistance. If a narrative discussion is not included, but estimates for all donor assistance are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, donor assistance (regardless of whether it also includes a narrative discussion). Answer "c" also applies if the sources of donor assistance are not presented, but the total amount of donor assistance is presented as a single line item. Answer "d" applies if no estimates of donor assistance are presented. Select answer "e" if your country does not receive donor assistance.

Answer:

b. Yes, estimates of all sources of donor assistance are presented, but a narrative discussion is not included.

Source:

https://www.budgetportal.gov.Is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

The Executive's Budget Proposal and supporting documents present detailed estimates of donor assistance, including both financial and in-kind support (pg 65 of Budget Estimates). Sources are identified; however, there is no clear narrative on the purpose and expected outcomes of donor-funded programs.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

45. Does the Executive's Budget Proposal or any supporting budget documentation present information on tax expenditures for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each tax expenditure, the intended beneficiaries, and an estimate of the revenue foregone.)

GUIDELINES:

Question 45 focuses on tax expenditures, asking whether "core" information related to these tax preferences is presented. These core components must include for both new and existing tax expenditures:

- a statement of purpose or policy rationale;
- a listing of the intended beneficiaries; and
- an estimate of the revenue foregone.

Tax expenditures arise as a result of exceptions or other preferences in the tax code provided for specified entities, individuals, or activities. Tax expenditures often have the same impact on public policy and budgets as providing direct subsidies, benefits, or goods and services. For example, encouraging a company to engage in more research through a special tax break can have the same effect as subsidizing it directly through the expenditure side of the budget, as it still constitutes a cost in terms of foregone revenues. However, expenditure items that require annual authorization are likely to receive more scrutiny than tax breaks that are a permanent feature of the tax code.

Beyond the core information, some governments may also provide other information about tax expenditures, including for example: the intended beneficiaries by sector and income class (distributional impact); a statement of the estimating assumptions, including the definition of the benchmark against which the foregone revenue is measured; and a discussion of tax expenditures as part of a general discussion of expenditures for those program areas that receive both types of government support (in order to better inform policy choices). For more details on tax expenditures, see *Guide to Transparency in Public Finances: Looking Beyond the Core Budget* (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 1.1.4 of the IMF's *Fiscal Transparency Handbook* (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, all of the core information related to tax expenditures as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to tax expenditures is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on tax expenditures.

Answer:

d. No, information related to tax expenditures is not presented.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

The Executive's Budget Proposal does not present any information on tax expenditures. There is no disclosure of revenue foregone, beneficiaries, or policy rationale for tax preferences, despite their potential fiscal impact.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

46. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of earmarked revenues for at least the budget year?

GUIDELINES:

Question 46 asks about estimates of earmarked revenues, which are revenues that may only be used for a specific purpose (for example, revenues from a tax on fuel that can only be used for building roads). This information is important in determining which revenues are available to fund the government's general expenses, and which revenues are reserved for particular purposes.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all individual earmarked revenues and a narrative discussing the earmarks. If a narrative discussion is not included, but estimates for all individual earmarked revenues are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, earmarked revenues (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of earmarked revenues are presented. An "e" response applies if revenue is not earmarked or the practice is disallowed by law or regulation.

Answer:

d. No, estimates of earmarked revenues are not presented.

Source:

https://www.budgetportal.gov.is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

The Executive's Budget Proposal does not present estimates or a narrative on earmarked revenues. There is no indication of which revenue streams are reserved for specific purposes, nor any estimates of their value or impact on the budget.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

47. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for the budget year?

GUIDELINES:

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-21 of New Zealand's 2024 Strategic Intentions (<https://www.treasury.govt.nz/publications/corporate-documents/strategic-intentions>), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:

a. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for the budget year are presented, along with a narrative discussion.

Source:

https://www.budgetportal.gov.is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

The 2024/25 Executive Budget Proposal presents a clear and comprehensive link between government policy goals and budget allocations. Both the narrative and the financial estimates demonstrate alignment with national priorities under NSDP II, ensuring transparency and strategic coherence.

budget speech page 7-8 that outlines ECONOMIC PRIORITIES, and the draft budget they categorize expenditures under these topics like "03 - Strengthening Human Capital", "04 - Building Enabling Infrastructure", "05 - Strengthening National Governance and Accountability", "02 - Enhancing Inclusive and Sustainable Economic Growth and Private Sector-led Job Creation", "07 - Cross Cutting, which are directly connected to the priority areas that are laid out in the NSDP II.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

48. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for a multi-year period (for at least two years beyond the budget year)?

GUIDELINES:

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see New Zealand's 2022 Summary of Initiatives in Budget and Wellbeing Budget 2022: A Secure Future 2022 (<https://www.treasury.govt.nz/publications/budgets/budget-2022>), a few of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:

c. Yes, information that shows how the proposed budget is linked to some but not all of the government's policy goals for a multi-year period is presented.

Source:

https://www.budgetportal.gov.is:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.is:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

The Executive's Budget Proposal presents both multi-year estimates and a narrative linking them to government policy goals. The documents demonstrate strategic alignment between fiscal planning and national development priorities for at least two years beyond the budget year, but it is not clear how all government policy goals for a multi-year period are presented, especially since we can't see how some of the goals outlined in the budget speech are planned for beyond the proposed FY.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

49. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on inputs to be acquired for at least the budget year?

GUIDELINES:

Question 49 asks about the availability of nonfinancial data on inputs for the budget year. (Nonfinancial data on outputs and outcomes are addressed in Question 50.)

The budget should disclose not only the amount of money that is being allocated on a program but also any information needed to analyze that expenditure. Nonfinancial data and performance targets associated with budget proposals are used to assess the success of a given policy. For example, even when allocated funds are spent according to plan, there remains the question of whether the policy delivered the results that it aimed to achieve.

Nonfinancial data can include information on:

Inputs - These are the resources assigned to achieve results. For example, in regards to education, nonfinancial data on inputs could include the number of books to be provided to each school or the materials to be used to build or refurbish a school.

Outputs - These are products and services delivered as a result of inputs. For example, the number of pupils taught every year; the number of children that received vaccines; or the number of beneficiaries of a social security program.

Outcomes - These are the intended impact or policy goals achieved. For example, an increase in literacy rates among children under 10, or a reduction in rates of maternal mortality.

In addition, governments that set performance targets must use nonfinancial data for outputs and outcomes to determine if these targets have been met.

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on inputs for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on inputs for each individual program is organized by functions. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on inputs for all administrative units or all functions, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on inputs are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on inputs is presented.

Answer:

c. Yes, nonfinancial data on inputs are presented for some programs and/or some administrative units (or functions).

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

The budget documents present nonfinancial data on inputs for some programs and administrative units for the budget year (pgs 42-57). These inputs include quantified activities and resources needed to achieve the program outcome, such as the number of trees to be planted, meetings to be held, officers needing training, documents to be procured, and infrastructure works to be undertaken (e.g., planting forest trees, conducting outreach programs, training police officers, procuring passport booklets, and rehabilitating water systems).

However, this information is not presented systematically for each individual program across all administrative units, nor is it organized comprehensively by functional classification. Many programs do not include explicit nonfinancial input data, and where such information is provided, it is scattered across selected ministries and sectors.

Accordingly, nonfinancial input data are presented only for some programs and administrative units, which meet the criteria for a "c" response

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

50. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on results (in terms of outputs or outcomes) for at least the budget year?

GUIDELINES:

Question 50 asks about the availability of nonfinancial data on results for the budget year. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 49).

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on results for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on results for each individual program is organized by functional classification. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on results for all administrative units or all functional classifications, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on results are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on results is presented.

Answer:

d. No, nonfinancial data on results are not presented.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

While Lesotho's budget documents include some nonfinancial performance information for key sectors (eg, the number of households to be connected to electricity, passports to be issued, jobs expected to be created, megawatts of electricity generation to be added, enterprises to be supported, and infrastructure projects to be completed), the coverage is incomplete and lacks consistency across all administrative units. The data provided is not program-specific, making it difficult to link resources to results at a granular level. Additionally, the information is embedded within narrative sections rather than presented in a standardized, tabular format, which limits comparability and ease of analysis. This approach reduces the usefulness of the data for monitoring sectoral outcomes and assessing efficiency. To improve, Lesotho should adopt a uniform reporting framework that includes program-level indicators, clear targets, and standardized tables, ensuring that performance information is comprehensive, comparable, and easily accessible to stakeholders.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

51. Are performance targets assigned to nonfinancial data on results in the Executive's Budget Proposal or any supporting budget documentation?

GUIDELINES:

Question 51 asks about performance targets assigned to nonfinancial data on results for the budget year. The question applies to those nonfinancial results

shown in the budget, and that were identified for purposes of Question 50.

To answer "a," the Executive's Budget Proposal or supporting documentation must assign performance targets to all nonfinancial data on results shown in the budget for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must assign performance targets to a majority (but not all) of the nonfinancial data on results shown in the budget. A "c" response applies performance targets are assigned only to less than half of the nonfinancial data on results. Answer "d" applies if no performance targets are assigned to nonfinancial data on results shown in the budget, or the budget does not present nonfinancial results.

Answer:

d. No, performance targets are not assigned to nonfinancial data on results, or the budget does not present nonfinancial data on results.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

While the budget documents include some nonfinancial data for selected programs, it does not assign performance targets to these results in a systematic or standardized manner.

Although some quantitative figures appear in narrative sections (e.g., projected numbers of households connected, jobs created, or infrastructure outputs), these figures are not presented as formal performance targets linked to performance indicators, baseline values, or monitoring frameworks within the budget documentation.

Moreover, the budget does not demonstrate that performance targets are assigned to all, or even a majority, of the nonfinancial results shown, nor does it consistently distinguish between outputs, outcomes, and aspirational policy statements.

Accordingly, in line with OBS methodology, the correct response is "d."

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

52. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations in at least the budget year?

GUIDELINES:

Question 52 asks whether the budget highlight policies, both new and existing, that benefit the poorest segments of society. This question is intended to assess only those programs that directly address the immediate needs of the poor, such as through cash assistance programs or the provision of housing, rather than indirectly, such as through a stronger national defense. This information is of particular interest to those seeking to bolster government's commitment to anti-poverty efforts. For purposes of answering this question, a departmental budget (such for the Department of Social Welfare) would not be considered acceptable. In general, this question is asking whether the EBP includes a special presentation that pulls together estimates of all the relevant policies in one place. However, if the country uses "program budgeting," where programs are presented as expenditure categories with specific and identified objectives, and it identifies anti-poverty programs within each administrative unit, then that is also acceptable for this question.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?"

(<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of countries that have provided information on how its policies affect the poor.

For instance, Pakistan provides a detailed breakdown of pro-poor expenditure as part of its 2017-18 budget proposal. In one document, the government sets out policy priorities, expected outputs, and estimates of past and future spending for several programs aimed at poverty alleviation. Another supporting document provides a comprehensive overview of ongoing policies, including a chapter on social safety nets, covering both financial and performance information of poverty alleviation schemes over a period of eight years. (http://www.finance.gov.pk/budget/mtbf_2018_21.pdf and http://www.finance.gov.pk/survey_1718.html).

To answer "a," the Executive's Budget Proposal or supporting documentation must for at least the budget year both present estimates covering all policies that

are intended to benefit the most impoverished populations and include a narrative discussion that specifically addresses these policies. (For countries using program budgeting that breaks out individual anti-poverty programs, there should be a separate narrative associated with each such program.) Answer "b" if a narrative discussion is not included, but estimates for all policies that are intended to benefit the most impoverished populations are presented. Answer "c" if the presentation includes estimates covering only some, but not all, policies that are intended to benefit the most impoverished populations (regardless of whether it also includes a narrative discussion). Answer "d" if no estimates of policies that are intended to benefit the most impoverished populations are presented.

Answer:

c. Yes, estimates of some but not all policies that are intended to benefit directly the country's most impoverished populations are presented.

Source:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Draft%20Budget%20Book%202024_2025%20Final%20DDDD-638618159924795564.pdf

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

While the budget includes several initiatives that benefit the poor, it does not present a complete and centralized estimate of all such policies. The information is scattered across sectoral discussions and lacks a unified presentation or performance framework. Page 11 under the heading: SECTOR-ALLOCATIONS

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

53. Does the executive release to the public its timetable for formulating the Executive's Budget Proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation)?

GUIDELINES:

Question 53 asks about the budget timetable. An internal timetable is particularly important for the executive's management of the budget preparation process, in order to ensure that the executive accounts for the views of the different departments and agencies in the proposed budget. The timetable would, for instance, set deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. So that civil society is aware of the various steps in the budget formulation process, and when opportunities may exist to engage the executive, it is essential that this timetable be made available to the public.

To answer "a," the executive must prepare a detailed budget timetable and release it to the public. A "b" answer applies if the timetable is made public, but some details are not included. A "c" response applies if the timetable is made public, but many important details are excluded, reducing its value for those outside government. Answer "d" applies if no timetable is made available to the public. As long as a timetable for formulating the Executive's Budget Proposal is released, answer "a," "b," or "c" may be selected, even if the Executive's Budget Proposal is not made publicly available.

Answer:

a. Yes, a detailed timetable is released to the public.

Source:

Budget Call Circular 2024/25: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Budget%20Call%20Circular%20-638683238718193988.pdf>

Comment:

According to the Budget Call Circular (Dec 2023), ministries must submit Budget Framework Papers (BFPs) and set expenditure ceilings, aligning with the Program-Based Budgeting framework enacted by the 2017 PFM Reform.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

54. Does the Pre-Budget Statement present information on the macroeconomic forecast upon which the budget projections are based?

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

GUIDELINES:

Question 54 focuses on the macroeconomic forecast that underlies the Pre-Budget Statement, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- nominal GDP level;
- inflation rate;
- real GDP growth; and
- interest rates.

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short- and long-term interest rates; the rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.

To answer "a," the Pre-Budget Statement must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the macroeconomic forecast is presented.

Answer:

b. Yes, the core information is presented for the macroeconomic forecast.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Strategy%20Paper%202025-2026-638629020653907231.pdf>

Comment:

The Pre-Budget Statement includes all core components of the macroeconomic forecast:

Nominal GDP level: Presented in the Annex 1 and 2 (MTFF tables), showing GDP values and ratios.

Inflation rate: Discussed in detail on page 7, with historical and projected inflation rates (e.g., 5.2% in August 2023).

Real GDP growth: Covered on pages 6–7, including actual growth (1.1%), quarterly contractions, and medium-term projections (e.g., 1.8% in 2023/24).

Interest rates: Mentioned in the context of monetary policy and debt servicing (pgs 8-9).

Additional Information: There is some information for FY 2025/26 on the Sectoral Decomposition of GDP Growth.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

55. Does the Pre-Budget Statement present information on the government's expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of expenditure policies and priorities and an estimate of total expenditures.)

GUIDELINES:

Question 55 focuses on the government's expenditure policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

- a discussion of expenditure policies and priorities; and
- an estimate of total expenditures.

Although a Pre-Budget Statement is unlikely to include detailed programmatic proposals (such detailed information is typically only presented in the budget itself), it should include a discussion of broad policy priorities and a projection of at least total expenditures associated with these policies for the budget year. The Pre-Budget Statement can include some detail, for instance, estimates provided by any of the three expenditure classifications – by administrative, economic, and functional classifications.

To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's expenditure policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's expenditure policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's expenditure policies and priorities is presented.

Answer:

b. Yes, the core information is presented for the government's expenditure policies and priorities.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Strategy%20Paper%202025-2026-638629020653907231.pdf>

Comment:

Within the Budget Strategy Paper, the information outlined under the MTBF (pp. 17-23) presents a narrative of the government's expenditure policies and priorities for the upcoming budget year. There is some information regarding cost estimates for priorities (Figures 11 and 12, pp. 17-18), and within the narrative on projects for certain sectors (pp. 25-27).

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

56. Does the Pre-Budget Statement present information on the government's revenue policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of revenue policies and priorities and an estimate of total revenues.)

GUIDELINES:

Question 56 focuses on the government's revenue policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

- a discussion of revenue policies and priorities; and
- an estimate of total revenue.

Although a Pre-Budget Statement is unlikely to include detailed revenue proposals, it should include a discussion of broad policy priorities and a projection of at least the total revenue associated with these policies for the budget year. The Pre-Budget Statement can also include more detail, for instance, with estimates provided by revenue category – tax and non-tax – or some of the major individual sources of revenue, such as the Value Added Tax or the income tax.

To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's revenue policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's revenue policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's revenue policies and priorities is presented.

Answer:

b. Yes, the core information is presented for the government's revenue policies and priorities.

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Strategy%20Paper%202025-2026-638629020653907231.pdf>

Comment:

Page 10 of the BSP provides a discussion of some revenue policies and priorities, and page 13 provides revenue estimates.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

57. Does Pre-Budget Statement present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 57 asks whether the Pre-Budget Statement includes three key estimates related to borrowing and debt:

- the amount of net new borrowing needed in the upcoming budget year;
- the central government's total debt burden at the end of the upcoming budget year; and
- the interest payments on the outstanding debt for the upcoming budget year.

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Pre-Budget Statement must present all three estimates of borrowing and debt for at least the upcoming budget year. For a "b" answer, the Pre-Budget Statement must present two of those three estimates. For a "c" answer, the PBS must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the PBS.

Answer:

b. Yes, two of the three estimates related to government borrowing and debt are presented.

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Budget%20Strategy%20Paper%202025-2026-638629020653907231.pdf>

Comment:

Two of the three estimates related to government borrowing and debt are presented.

The 2025/26 BSP includes, on page 13, the net lending/borrowing amount, which shows the level of net new borrowing for the upcoming budget year.

On page 14, the table on financing appears to include the total debt burden at the end of the budget year.

However, there is no information on interest payments on debt for 2025/26 presented in the documents.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

58. Does the Pre-Budget Statement present estimates of total expenditures for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:

Question 58 asks about multi-year expenditure estimates in the Pre-Budget Statement.

To answer "a," expenditure estimates for at least two years beyond the upcoming budget year must be presented. The estimates must be for at least total expenditures, but could include more detail than just the aggregate total.

Answer:

b. No, multi-year expenditure estimates are not presented.

Source:

<https://www.budgetportal.gov.is:7024/PDFDocuments/Budget%20Strategy%20Paper%202025-2026-638629020653907231.pdf>

Comment:

The Medium-Term Fiscal Framework (MTFF) in Annex 1 and 2 provides total expenditure estimates for:

2024/25 (budget year): M24,006.3 million

2025/26: M25,322.6 million

2026/27: M26,782.7 million

These estimates include both recurrent and capital expenditures, along with detailed breakdowns by economic classification (e.g., compensation of employees, interest payments, social benefits, etc.).

However, since the table only includes estimates for 2026/27, and does not provide projections for 2027/28, the criteria for an "a" are not fully met. Therefore, a "b" is selected based on the available evidence.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

59. Does the Enacted Budget present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 59 asks if expenditure estimates in the Enacted Budget are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative classification indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

Answer “None of the above” applies if expenditure estimates are not presented by any of the three classifications.

Select all that apply:

Answer:

Administrative classification

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

Comment:

Pages 3 and 4 present expenditure by Administrative classification for recurrent and capital expenditure:

The Act presents expenditure estimates by ministry or government department, such as:

Ministry of Health

Ministry of Education and Training

Ministry of Finance and Development Planning

Ministry of Gender, Youth and Social Development

And many others listed under Schedule A (Recurrent) and Schedule B (Capital)

This shows who spends the money, which is the essence of administrative classification.

However, there is no information on the function or economic classification.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

60. Does the Enacted Budget present expenditure estimates for individual programs?

GUIDELINES:

Question 60 asks if expenditure estimates in the Enacted Budget are presented by program. There is no standard definition for the term “program,” and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term “program” to mean any level of detail below an administrative unit, such as a ministry or department.

A note for francophone countries: “Program” level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer “a,” the Enacted Budget must present all programs, which account for all expenditures, in the budget year. To answer “b,” the Enacted Budget must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A “c” answer applies if the Enacted Budget presents programs that account for less than two-thirds of expenditures. Answer “d” applies if expenditures are not presented by program in the Enacted Budget.

Answer:

d. No, the Enacted Budget does not present expenditure estimates by program.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

Comment:

The Act provides expenditure estimates only at the ministry level (administrative units), under:

Schedule A: Recurrent Expenditure

Schedule B: Capital Expenditure

There is no breakdown below the ministry level into specific programs, projects, or sub-activities.

For example, the Ministry of Health is allocated M2,227,761,869 for recurrent and M1,166,542,694 for capital expenditure, but there is no indication of how this is distributed across health programs (e.g., hospitals, HIV/AIDS, maternal health, etc.).

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

61. Does the Enacted Budget present revenue estimates by category (such as tax and non-tax)?

GUIDELINES:

Question 61 asks whether revenue estimates in the Enacted Budget are presented by "category" – that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Enacted Budget must present revenue estimates classified by category.

Answer:

b. No, the Enacted Budget does not present revenue estimates by category.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

Comment:

There is no information on revenues by categories in the Appropriations Act, just the total revenue amount.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

62. Does the Enacted Budget present individual sources of revenue?

GUIDELINES:

Question 62 asks whether revenue estimates for individual sources of revenue are presented in the Enacted Budget. The question applies to both tax and non-tax revenue.

To answer "a," the Enacted Budget must present all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Enacted Budget must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Enacted Budget presents individual sources of revenue that account for less than two-thirds of revenues. Answer "d" applies if individual sources of revenue are not presented.

Answer:

d. No, the Enacted Budget does not present individual sources of revenue.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

Comment:

INFORMATION NOT PROVIDED

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

63. Does the Enacted Budget present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 63 asks about three key estimates related to borrowing and debt:

- the amount of net new borrowing required during the budget year;*
- the total debt outstanding at the end of the budget year;*
- the interest payments on the outstanding debt for the budget year.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Enacted Budget must present all three estimates of borrowing and debt. For a "b" answer, the Enacted Budget must present two of those three estimates. For a "c" answer, the Enacted Budget must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the Enacted Budget.

Answer:

d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

Comment:

No information related to debt is provided in the Appropriations Act.

Peer Reviewer

Opinion:

Government Reviewer
Opinion: Agree

64. What information is provided in the Citizens Budget?

(The core information must include expenditure and revenue totals, the main policy initiatives in the budget, the macroeconomic forecast upon which the budget is based, and contact information for follow-up by citizens.)

GUIDELINES:

Question 64 focuses on the content of the Citizens Budget, asking whether “core” information is presented. These core components include:

- *expenditure and revenue totals;*
- *the main policy initiatives in the budget;*
- *the macroeconomic forecast upon which the budget is based; and*
- *contact information for follow-up by citizens.*

To answer “a,” the Citizens Budget or supporting documentation must present all of the above core information as well as some additional information beyond the core elements. To answer “b,” the Citizens Budget must present all of the core components noted above. Answer “b” is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A “c” answer applies if the Citizens Budget includes some of the core components above, but other core pieces of information are not included. Answer “d” applies if a Citizens Budget is not published.

Answer:

b. The Citizens Budget provides the core information.

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Citizens%20Guide%202024-2025%20Final-638767696439886051.pdf>

Comment:

The 2024/25 Citizens Budget presents the following core information:

- **Macroeconomic forecast:** Page 3 includes key macroeconomic assumptions, including the projected growth rate and inflation rate.
- **Main policy initiatives:** Pages 4 and 7–11 outline the government’s revenue and expenditure strategy and summarize major policy priorities by sector.
- **Expenditure and revenue totals:** Page 6 presents overall revenue and expenditure information in graphical form. While this provides a general overview of the fiscal aggregates, and you can kind of infer their totals, the presentation could be improved by labeling the specific monetary totals for each category.
- **Contact information:** Page 13 provides contact information for citizens to follow up or seek additional information.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

65. How is the Citizens Budget disseminated to the public?

GUIDELINES:

Question 65 asks how the Citizens Budget is disseminated to the public. Citizens Budgets should be made available to a variety of audiences. Therefore paper versions and an Internet posting of a document might not be sufficient.

To answer “a,” the executive must use three or more different types of creative media tools to reach the largest possible share of the population, including

those who otherwise would not normally have access to budget documents or information. Dissemination would also be pursued at the very local level, so that the coverage is targeted both by geographic area and population group (e.g., women, elderly, low income, urban, rural, etc.). Option "b" applies if significant dissemination efforts are made through a combination of two means of communications, for instance, both posting the Citizens Budget on the executive's official website and distributing printed copies of it. Option "c" applies if the Citizens Budget is disseminated through only posting on the executive's official website. Option "d" applies when the executive does not publish a Citizens Budget.

Answer:

c. A Citizens Budget is disseminated only by using one means of dissemination.

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Citizens%20Guide%202024-2025%20Final-638767696439886051.pdf>

Comment:

The Citizens Budget for the draft budget is only disseminated through the budget portal.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

66. Has the executive established mechanisms to identify the public's requirements for budget information prior to publishing the Citizens Budget?

GUIDELINES:

Question 66 asks whether the executive has established mechanisms to identify the public's requirements for budget information before publishing a Citizens Budget. What the public wants to know about the budget might differ from the information the executive includes in technical documents that comprise the Executive's Budget Proposal or the Enacted Budget; similarly, different perspectives might exist on how the budget should be presented, and this may vary depending on the context. For this reason the executive should consult with the public on the content and presentation of the Citizens Budget.

To answer "a," the executive must have established mechanisms to consult with the public, and these mechanisms for consultation are both accessible and widely used by the public. Such mechanisms can include focus groups, social networks, surveys, hotlines, and meetings/events in universities or other locations where people gather to discuss public issues. In countries where Citizens Budgets are consistently produced and released, it may be sufficient for the government to provide the public with contact information and feedback opportunities, and subsequently use the feedback to improve its management of public resources.

Option "b" applies if the executive has established mechanisms for consultation that are accessible to the public, but that the public nonetheless does not use frequently. That is, the public does not typically engage with the executive on the content of the Citizens Budget, even though the executive has created opportunities for such consultation. Option "c" applies if the executive has established mechanism for consultation with the public, but they are poorly designed and thus not accessible to the public. Option "d" applies if the executive has not created any mechanisms to seek feedback from the public on the content of the Citizens Budget.

Answer:

d. No, the executive has not established any mechanisms to identify the public's requirements for budget information in the Citizen's Budget.

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/Citizens%20Guide%202024-2025%20Final-638767696439886051.pdf>

Comment:

There is no evidence that the executive has established a mechanism to identify the public's requirements for budget information in the Citizens' Budget.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

67. Are "citizens" versions of budget documents published throughout the budget process?

GUIDELINES:

Question 67 asks if "citizens" versions of budget documents are published throughout the budget process. While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle.

To answer "a," a citizens version of at least one budget document is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit) – for a total of at least four citizens budget documents throughout the process. Option "b" applies if a citizens version of a budget document is published for at least two of the four stages of the budget process. Option "c" applies if a citizens version of a budget document is published for at least one of the four stages of the budget process. Select option "d" if no "citizens" version of budget documents is published.

Answer:

b. A citizens version of budget documents is published for at least two of the four stages of the budget process.

Source:

CB for Draft Budget: <https://www.budgetportal.gov.ls:7024/PDFDocuments/Citizens%20Guide%202024-2025%20Final-638767696439886051.pdf>

CB for MYR:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-25%20Citizens%20Guide%20MID-TERM%20BUDGET%20REVIEW-639005641198516939.pdf>

Comment:

The 2024/25 Citizens Budget Guide is a simplified version of the Executive's Budget Proposal and therefore corresponds to the formulation stage.

Additionally, there is a citizens' version for the Mid-Term Budget Review, which qualifies as a citizens' version for the execution stage of the budget cycle.

There is also no evidence that citizens' versions were produced for:

- Enactment (e.g., a simplified version of the Appropriations Act), or
- Audit (e.g., a simplified report of audit findings).

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

68. Do the In-Year Reports present actual expenditures by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 68 asks if expenditure estimates in In-Year Reports are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above.

Each of the classifications answers a different question: administrative classification indicates who spends the money; functional classification shows what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

Answer "None of the above" applies if actual expenditures are not presented by any of the three classifications in In-Year Reports.

Select all that apply:

Answer:

Economic classification

Source:

2023-2024 3rd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20Third%20Quarter%20Budget%20Execution%20Bulletin-638615205623213673.pdf> 2023-2024 4th Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-2024%20Forth%20Quarter%20Budget%20Execution%20Bulletin-638742153290381592.pdf> 2024-2025 1st Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf> 2024-2025 2nd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf>

Comment:

Lesotho's quarterly Budget Execution Bulletins provide expenditure data disaggregated by economic classifications. For example, the 2023–24 3rd Quarter Bulletin includes economic classification tables on pp. 6–8 and similar structures appear in the 4th Quarter Bulletin (pp. 6–11), and the 2024–25 1st and 2nd Quarter Bulletins (economic: pp. 6–8).

However, there is no breakdown of expenditures by ministry or other classification.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

69. Do the In-Year Reports present actual expenditures for individual programs?

GUIDELINES:

Question 69 asks if expenditure estimates in In-Year Reports are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

A note for francophone countries: "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," In-Year Reports must present actual expenditures for all individual programs, accounting for all expenditures. To answer "b," In-Year Reports must present actual expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if In-Year Reports present actual expenditures for programs that account for less than two-thirds of expenditures. Answer "d" applies if actual expenditures are not presented by program in In-Year Reports.

Answer:

c. Yes, the In-Year Reports present actual expenditures for programs accounting for less than two-thirds of expenditures.

Source:

2023-2024 3rd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20Third%20Quarter%20Budget%20Execution%20Bulletin-638615205623213673.pdf> 2023-2024

4th Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-2024%20Forth%20Quarter%20Budget%20Execution%20Bulletin-638742153290381592.pdf> 2024-2025

1st Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf> 2024-2025

2nd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf>

Comment:

While the bulletin includes narrative descriptions of program areas (e.g., rural water supply, road construction, electrification), it does not provide a structured table or breakdown of actual expenditures by individual programs.

The only detailed financial tables are at the sub-head level (economic classification) and broad program categories, not individual programs that account for all or most expenditures.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

70. Do the In-Year Reports compare actual year-to-date expenditures with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

GUIDELINES:

Question 70 asks whether In-Year Reports compare actual expenditures to-date with either the enacted levels or actual expenditures for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date expenditures in a format that allows for a comparison with the budget's forecast expenditures (based on enacted levels) for the same period.

To answer "a," comparisons must be made for expenditures presented in the In-Year Reports

Answer:

a. Yes, comparisons are made for expenditures presented in the In-Year Reports.

Source:

2023-2024 3rd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20Third%20Quarter%20Budget%20Execution%20Bulletin-638615205623213673.pdf> 2023-2024

4th Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-2024%20Forth%20Quarter%20Budget%20Execution%20Bulletin-638742153290381592.pdf> 2024-2025

1st Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf> 2024-2025

2nd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf>

Comment:

In the 2nd Quarter Budget Execution Bulletin, Table 4 on page 8 (economic classification) presents information from the approved budget, the revised budget, Q2 expenditures, and total expenditures to date. And similar table structures appear across the other Bulletins assessed.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

71. Do In-Year Reports present actual revenue by category (such as tax and non-tax)?

GUIDELINES:

Questions 71 asks whether In-Year Reports present actual revenues by "category" – that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," In-Year Reports must present revenue estimates classified by category.

Answer:

a. Yes, In-Year Reports present actual revenue by category.

Source:

2023-2024 3rd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20Third%20Quarter%20Budget%20Execution%20Bulletin-638615205623213673.pdf> 2023-2024

4th Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-2024%20Forth%20Quarter%20Budget%20Execution%20Bulletin-638742153290381592.pdf> 2024-2025

1st Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf> 2024-2025

2nd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf>

Comment:

Page 4 and 5 "2024-2025 2nd quarter Budget Bulletin", the revenue report is presented by category (such as tax and non-tax)

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

72. Do In-Year Reports present the individual sources of revenue for actual revenues collected?

GUIDELINES:

Question 72 asks whether In-Year Reports present actual collections of individual sources of revenue (such as income taxes, VAT, etc.). The question applies to both tax and non-tax revenue.

To answer "a," In-Year Reports must present actual collections for all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," In-Year Reports must present actual collections for individual sources of revenue that when combined account for at least two-thirds of all revenue collected, but not all revenue. A "c" answer applies if In-Year Reports present individual sources of actual revenue that account for less than two-thirds of all revenue collected. Answer "d" applies if individual sources of actual revenue are not presented.

Answer:

c. Yes, In-Year Reports present individual sources of actual revenue accounting for less than two-thirds of all revenue.

Source:

2023-2024 3rd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20Third%20Quarter%20Budget%20Execution%20Bulletin-638615205623213673.pdf> 2023-2024

4th Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-2024%20Forth%20Quarter%20Budget%20Execution%20Bulletin-638742153290381592.pdf> 2024-2025

1st Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024->

2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf 2024-2025

2nd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.Is:7024/PDFDocuments/2024-2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf>

Comment:

On page 7 of the Q2 2024/2025 IYR Table 2 provides a breakdown of revenue collection by items; however, it only includes the major revenue collections, which only make up 29% of all revenues collected in Q2.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

73. Do the In-Year Reports compare actual year-to-date revenues with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

GUIDELINES:

Question 73 asks whether In-Year Reports compare actual revenues to-date with either the enacted levels or actual revenues for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date revenues in a format that allows for a comparison with the budget's forecast revenues (based on enacted levels) for the same period.

To answer "a," comparisons must be made for revenues presented in the In-Year Reports.

Answer:

a. Yes, comparisons are made for revenues presented in the In-Year Reports.

Source:

2023-2024 3rd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.Is:7024/PDFDocuments/2023-24%20Third%20Quarter%20Budget%20Execution%20Bulletin-638615205623213673.pdf> 2023-2024

4th Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.Is:7024/PDFDocuments/2023-2024%20Forth%20Quarter%20Budget%20Execution%20Bulletin-638742153290381592.pdf> 2024-2025

1st Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.Is:7024/PDFDocuments/2024-2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf> 2024-2025

2nd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.Is:7024/PDFDocuments/2024-2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf>

Comment:

Page 4 and 5 "2024-2025 2nd quarter Budget Bulletin", the revenue report is presented by category (such as tax and non-tax) and some information on revenue by items, and compares "Quarter 2 Actual Collection" with the "Approved Budget" as well as the "Cumulative Collections" to date.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

74. Do In-Year Reports present three estimates related to actual government borrowing and debt: the amount of net new borrowing; the total debt outstanding; and interest payments?

GUIDELINES:

Question 74 asks about three key estimates related to borrowing and debt:

- the amount of net new borrowing so far during the year;
- the central government's total debt burden at that point in the year; and
- the interest payments to-date on the outstanding debt.

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," In-Year Reports must present all three estimates of borrowing and debt. For a "b" answer, In-Year Reports must present two of those three estimates. For a "c" answer, IYRs must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in In-Year Reports.

Answer:

d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:

2023-2024 3rd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20Third%20Quarter%20Budget%20Execution%20Bulletin-638615205623213673.pdf> 2023-2024

4th Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-2024%20Forth%20Quarter%20Budget%20Execution%20Bulletin-638742153290381592.pdf> 2024-2025

1st Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf> 2024-2025

2nd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf>

Comment:

The Budget Execution Bulletins do not present estimates related to actual government borrowing and debt.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

75. Do In-Year Reports present information related to the composition of the total actual debt outstanding?

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

GUIDELINES:

Question 75 focuses on the composition of government debt, asking whether “core” information related to its composition is presented. These core components include:

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 74, domestic debt is held by a country’s citizens and banks and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country’s debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.

To answer “a,” In-Year Reports must present all of the core information related to the composition of government debt to-date as well as some additional information beyond the core elements. To answer “b,” In-Year Reports must present all of the core components noted above. Answer “b” is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A “c” answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer “d” applies if no information is presented on the composition of the debt outstanding in In-Year Reports.

Answer:

d. No, information related to composition of total actual debt outstanding is not presented.

Source:

2023-2024 3rd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20Third%20Quarter%20Budget%20Execution%20Bulletin-638615205623213673.pdf> 2023-2024

4th Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-2024%20Forth%20Quarter%20Budget%20Execution%20Bulletin-638742153290381592.pdf> 2024-2025

1st Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20FIRST%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638615179948680882.pdf> 2024-2025

2nd Quarter Budget Execution Bulletin: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20SECOND%20QUARTER%20BUDGET%20PERFORMANCE%20BULLETIN-638742151158249234.pdf>

Comment:

There is no information on whether interest rates are fixed or variable, the currency of the debt, creditor profiles, or risk analysis in the quarterly reports.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

76. Does the Mid-Year Review of the budget include an updated macroeconomic forecast for the budget year underway?

GUIDELINES:

Question 76 asks whether the Mid-Year Review includes an updated macroeconomic forecast for the budget year underway, and provides an explanation of the update.

Refer to Question 15 for the components of the macroeconomic forecast presented in the Executive’s Budget Proposal.

To answer "a," the Mid-Year Review must include an updated macroeconomic forecast and explain all of the differences between the initial forecast presented in the Executive's Budget Proposal and the updated forecast. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the macroeconomic forecast must be updated, but only some of the differences between the initial and updated forecasts are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes an updated macroeconomic forecast, but does not provide an explanation for the revisions. A "d" response applies if the macroeconomic forecast has not been updated.

Answer:

b. Yes, the estimates for macroeconomic forecast have been updated, and an explanation of some of the differences between the original and updated forecasts is presented.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Mid-Term%20Budget%20Statemet%2027-11-2024-638683249676063733.pdf>

Comment:

Real GDP (growth figures): Discussed under Domestic Economic Developments on pages 5–7 and Detailed annual growth rates forecast table on page 39.

Inflation: Covered in detail on pages 5–6 and Summary figures for inflation appear in the Real Sector Developments table on page 39.

But there are no updates to nominal GDP.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

77. Does the Mid-Year Review of the budget include updated expenditure estimates for the budget year underway?

GUIDELINES:

Question 77 asks whether the Mid-Year Review includes updated estimates of expenditure for the budget year underway, and provides an explanation of the update. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

To answer "a," the Mid-Year Review must include updated expenditure estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. The expenditure estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated expenditure estimates, but does not provide an explanation for the revisions. A "d" response applies if the expenditure estimates have not been updated.

Answer:

a. Yes, expenditure estimates have been updated, and an explanation of all of the differences between the original and updated expenditure estimates is presented.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Mid-Term%20Budget%20Statemet%2027-11-2024-638683249676063733.pdf>

Comment:

Pages: 14 to 15 and 37 to 46

Page 14 explicitly states the revised recurrent budget (from M21.3 billion to M22.0 billion) and provides reasons for the revision.

Pages 37–46 contain detailed tables showing updated expenditure estimates and comparisons with the original budget.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

78. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 78 asks if expenditure estimates for the budget year underway in the Mid-Year Review are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

Each of the classifications answers a different question: administrative classification indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

Answer "None of the above" applies if expenditure estimates are not presented by any of the three classifications in the Mid-Year Review.

Select all that apply:

Answer:

Administrative classification

Economic classification

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Mid-Term%20Budget%20Statemet%2027-11-2024-638683249676063733.pdf>

Comment:

Pages 41-44 have a breakdown of expenditures by administrative and economic classification, including approved budget and revised budget figures. Functional Classification is not presented in the Mid-Year Review.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

79. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway for individual programs?

GUIDELINES:

Question 79 asks if expenditure estimates in the Mid-Year Review are presented by program for the budget year underway. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Mid-Year Review must present expenditures for all individual programs, accounting for all expenditures. To answer "b," the Mid-Year Review must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer

applies if the Mid-Year Review presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Mid-Year Review.

Answer:

d. No, the Mid-Year Review does not present expenditure estimates by program.

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/2024-2025%20Mid-Term%20Budget%20Statemet%2027-11-2024-638683249676063733.pdf>

Comment:

The Mid-term budget does not include information on individual programs.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

80. Does the Mid-Year Review of the budget include updated revenue estimates for the budget year underway?

GUIDELINES:

Question 80 asks whether the Mid-Year Review includes updated estimates of revenue for the budget year underway, and provides an explanation of the update. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must include updated revenue estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the revenue estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated revenue estimates, but no explanation for the revisions is provided. A "d" response applies if the revenue estimates have not been updated.

Answer:

b. Yes, revenue estimates have been updated, and an explanation of some of the differences between the original and updated revenue estimates is presented.

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/2024-2025%20Mid-Term%20Budget%20Statemet%2027-11-2024-638683249676063733.pdf>

Comment:

Page 37 presents updated revenue estimates for 2024/25, including:

- Taxes
- SACU receipts
- Grants
- Water royalties
- Other non-tax revenues

Page 13–14 provides partial narrative explanations, such as:

- SACU revenue performing strongly
- Domestic tax revenue underperforming due to low diamond activity and subdued VAT
- Water royalties revised upward due to successful treaty negotiations

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer:

d. No, revenue estimates have not been updated.

Researcher Response

MAINTAIN THE ORIGINAL SCORE

IBP Comment

IBP thanks the government reviewer for their comment. Upon further review, IBP confirms that the Mid-Year Review includes updated revenue estimates for the budget year (2024/25). Specifically, the table on page 37 presents revenue data with columns for Budget 2024/25, Actual six months, and Projected Outturn 2024/25, indicating updated estimates for the full fiscal year. In line with OBS methodology, projected outturn figures constitute updated estimates, as they revise the expected end-of-year revenue relative to the original budget. This approach is consistent with the treatment of expenditures under the same framework and how it was scored in the previous round. Additionally, the document provides partial explanations for some of the differences (e.g., SACU revenues, domestic tax performance, and water royalties), though not comprehensively for all revenue categories. Accordingly, the response is maintained as "b."

81. Does the Mid-Year Review of the budget present updated revenue estimates for the budget year underway by category (such as tax and non-tax)?

GUIDELINES:

Question 81 asks whether revenue estimates for the budget year underway in the Mid-Year Review are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must present revenue estimates classified by category.

Answer:

a. Yes, the Mid-Year Review presents revenue estimates by category.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Mid-Term%20Budget%20Statemet%2027-11-2024-638683249676063733.pdf>

Comment:

On page 27, under "Budget Reconciliation", the report outlines revised revenue estimates:

Recurrent Revenue Budget: M15.528 billion (unchanged)

Capital Receipts:

Grants: Revised from M1.327 billion

Loans: Revised from M2.269 billion

Total Capital Receipts: Increased by M473 million to M4.069 billion

On page 30, under "Receipts", the report further breaks down actual collections:

Tax Revenues: M7.608 billion

Non-Tax Revenues: 14% of recurrent revenues (includes electricity sales, royalties, dividends)

Page 37 also has a breakdown of tax and non-tax revenue with information on the budgeted amount and the projected outturn for the remainder of the year.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. No, the Mid-Year Review does not present revenue estimates by category.

Researcher Response

MAINTAIN THE 'A' SCORE

IBP Comment

IBP thanks the government reviewer for their comment. Upon further review, IBP confirms that the Mid-Year Review includes updated revenue estimates for the budget year (2024/25). Specifically, the table on page 37 presents revenue data by category with columns for Budget 2024/25, Actual six months, and Projected Outturn 2024/25, indicating revised estimates for the full fiscal year. In line with OBS methodology, projected outturn figures constitute updated estimates, as they revise the expected end-of-year revenue relative to the original budget. This approach is consistent with the treatment of expenditures under the same framework and how it was scored in the previous round. Accordingly, the response is maintained as "a."

82. Does the Mid-Year Review of the budget present updated individual sources of revenue for the budget year underway?

GUIDELINES:

Question 82 asks whether revenue estimates for individual sources of revenue for the budget year underway are presented in the Mid-Year Review. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must present all sources of revenue individually, accounting for all revenues, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Mid-Year Review must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Mid-Year Review presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented in the Mid-Year Review.

Answer:

b. Yes, the Mid-Year Review presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Mid-Term%20Budget%20Statemet%2027-11-2024-638683249676063733.pdf>

Comment:

Page 37 of the 2024/25 Mid-Term Budget Statement provides updated estimates for several individual revenue sources, including income taxes, VAT, SACU receipts, grants, royalties, sales of goods and services, property income, and fines.

However, under OBS methodology and IMF GFS standards, an "a" requires revenue to be presented at the appropriate level of detail, typically the 4th level for taxes (e.g., individual income tax, corporate income tax) and at least the 3rd level for categories such as property income or sales of goods and services.

When comparing the Mid-Term Review to the original approved budget:

- Several 4th-level income tax components (e.g., Income tax payable by individuals, Income tax payable by corporations, Income tax – other) are not updated or presented.
- Within "Other Revenue," roughly 10% of revenue lacks disaggregation to the required level (e.g., administrative fees, incidental sales by non-market establishments).
- Within "Taxes on Goods and Services," approximately 18% of revenue is also not updated (e.g. excise tax) at the level required for an "a" score.

Because the MTR provides updated information that covers more than two-thirds of total revenue, but not all revenue at the required level of disaggregation, the correct score is "b."

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable/other (please comment).

Researcher Response

MAINTAIN THE 'b' SCORE

IBP Comment

IBP thanks the government reviewer for their comment. Upon further review, IBP confirms that the Mid-Year Review presents updated individual sources of revenue for the budget year underway. As shown in the revenue tables (e.g., page 37), individual categories such as taxes, SACU receipts, grants, water royalties, and other non-tax revenues are clearly identified and presented with updated projections. In line with OBS methodology, this constitutes the presentation of individual revenue sources accounting for a substantial share of total revenues. As no additional evidence has been provided to suggest that the question is not applicable, and given that the document clearly includes this information, the response is maintained as "b."

83. Does the Mid-Year Review of the budget include updated estimates of government borrowing and debt, including its composition, for the budget year underway?

GUIDELINES:

Question 83 asks whether the Mid-Year Review includes updated estimates of borrowing and debt, including its composition, for the budget year underway, and provides an explanation of the update.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- *The amount of net new borrowing required during the budget year;*
- *The central government's total debt burden at the end of the budget year; and*
- *The interest payments on the outstanding debt for the budget year.*

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

To answer "a," the Mid-Year Review must include an updated estimates of borrowing and debt, including its composition, and explain all of the differences between the initial estimates presented in the Executive's Budget Proposal (or Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the estimates of borrowing and debt must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated estimates, but no explanation for the revisions is provided. A "d" response applies if the estimates of borrowing and debt have not been updated.

Answer:

b. Yes, estimates of government borrowing and debt have been updated, and information on some of the differences between the original and updated estimates is presented.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Mid-Term%20Budget%20Statemet%2027-11-2024-638683249676063733.pdf>

Comment:

Page 43 of the_budget documentation provides updated information on public debt, including interest payments and the repayment of domestic and external liabilities. Additionally, the projected outturn for net borrowing is presented on page 37. However, the accompanying narrative remains limited. The only substantive explanation appears on page 16, where the government notes that part of the budget surplus will be used to cover interest payments on debt.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

84. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

GUIDELINES:

Question 84 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual expenditures for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all expenditures, along with a narrative discussion. Answer "b" if estimates of the differences for all expenditures are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all expenditures, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report

Answer:

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, along with a narrative discussion.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

Page 17 of the National Budget Brief under the section on "BUDGET EXECUTION AND CREDIBILITY" contains the differences between the enacted levels and actual outcomes for all expenditures.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

Researcher Response

AGREE

85. Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 85 asks if expenditure estimates in the Year-End Report are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Year-End Report must present expenditure estimates by all three of the expenditure classifications. Answer "b" if expenditure estimates are presented by two of these three classifications. Answer "c" if expenditure estimates are presented by one of the three classifications. Answer "d" if expenditure estimates are not presented by any of the three classifications in the Year-End Report.

Answer:

None of the above

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

The report does not present expenditures grouped by purpose (e.g., health, education, defense) using international functional standards like COFOG. While sectoral and programmatic allocations are discussed, they do not meet the formal criteria for functional classification.

Page 11-12, Figure 11: Spending by Economic Classification, includes information by economic classification.

Page 10-11 Figure 12: Spending Allocations by Ministry, includes information by administrative classification.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

Researcher Response

AGREE

IBP Comment

Based on OBS guidelines and international best practice, expenditure estimates in the Year-End Report should be presented for the majority of spending (i.e., at least two-thirds) and in a clear, comparable format showing executed amounts. While the report includes references to economic, administrative, and functional classifications, these are largely presented in narrative form, and the accompanying figures show percentage distributions rather than clear executed values. This question specifically assesses execution data, which is presented in the "Budget Execution and Credibility" section (p.17). However, this information is primarily shown as percentages of allocated budgets, without corresponding absolute figures that would allow for comparison between approved and executed amounts. Although some approved budget figures can be identified in the text (pp. 10–12) for selected functional categories, these cover only about 71% of total government spending and are not consistently linked to execution data. A similar issue applies to administrative and economic classifications, where absolute values can be identified for some areas but do not meet the two-thirds threshold. Due to the fragmented presentation, limited coverage, and absence of clear tables showing executed expenditure estimates by classification, the report does not meet OBS criteria for this question. Therefore, the response has been revised to "None of the above."

86. Does the Year-End Report present expenditure estimates for individual programs?**GUIDELINES:**

Question 86 asks if expenditure estimates in the Year-End Report are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Year-End Report must present expenditure estimates for all individual programs, accounting for all expenditures. Answer "b" if the Year-End Report presents expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. Answer "c" if the Year-End Report presents programs that account for only less than two-thirds of expenditures. Answer "d" if expenditures are not presented by program in the Year-End Report.

Answer:

d. No, the Year-End Report does not present expenditure estimates by program.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

Pages 12–13 and 18–19 of the 2023–24 National Budget Brief show expenditure estimates and actuals for all major programs (e.g., Human Capital, Infrastructure, Governance, etc.), covering both recurrent and capital budgets.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

Researcher Response

AGREE with IBP's comment

IBP Comment

Based on a review of the National Budget Brief and supporting documents, the categories identified by the researcher (e.g., Human Capital, Infrastructure, Governance) are more closely aligned with functional classifications rather than program-level detail, consistent with how they are treated in the Executive's Budget Proposal (see Q2). While labeled as "programmes," they represent high-level policy areas rather than operational programs below the administrative level. In addition, the National Budget Brief does not present clear execution data for individual programs as identified in the EBP (see Q6). Therefore, given the absence of true program-level classification and the lack of corresponding execution data, the report does not meet OBS criteria for this question. The response has been revised from "a" to "d."

87. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

GUIDELINES:

Question 87 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual revenues for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all revenues, along with a narrative discussion. Answer "b" if estimates of the differences for all revenues are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all revenues, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report.

Answer:

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, along with a narrative discussion.

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

Page 6–7 of the 2023–24 National Budget Brief presents actual vs. approved revenue for all sources (taxes, SACU, other revenue) and includes a narrative explaining the shortfall due to tax bill delays and economic uncertainties.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

88. Does the Year-End Report present revenue estimates by category (such as tax and non-tax)?

GUIDELINES:

Question 88 asks whether revenue estimates in the Year-End Report are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Year-End Report must present revenue estimates classified by category.

Answer:

a. Yes, the Year-End Report presents revenue estimates by category.

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

Page 7 of the 2023–24 National Budget Brief presents revenue estimates by category, including tax revenue, SACU receipts, and other revenue, clearly separating tax and non-tax sources. Additionally, there is information on the disposal of financial and non-financial assets.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

89. Does the Year-End Report present individual sources of revenue?

GUIDELINES:

Question 89 asks whether revenue estimates for individual sources of revenue are presented in the Year-End Report. The question applies to both tax and non-tax revenue.

To answer "a," the Year-End Report must present all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. Answer "b" if the Year-End Report presents individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. Answer "c" if the Year-End Report presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" if individual sources of revenue are not presented in the Year-End Report.

Answer:

d. No, the Year-End Report does not present individual sources of revenue.

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

Revenue details are provided under Budget Financing – Revenue on page 7, showing actual collections and composition. However, "other revenues" account for a significant share of total revenue, far exceeding the 3% benchmark under OBS standards.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

Researcher Response

I MAINTAIN A 'D' SCORE,

IBP Comment

Following a second review and based on OBS guidelines and the IMF's Government Financial Statistics (GFS) Manual, the revenue categories presented in the Year-End Report do not meet the criteria for individual sources of revenue. The report provides highly aggregated categories (e.g., "Taxes," "Other Revenue," and "SACU Receipts") rather than disaggregated revenue streams at the level required to qualify as individual sources. In particular, tax revenues are not broken down into specific tax types, and "Other Revenue" is not sufficiently disaggregated into its component parts. As a result, the report does not present revenue estimates for individual sources as defined by OBS methodology. Therefore, the response has been

revised from "c" to "d."

90. Does the Year-End Report present the differences between the original estimates of government borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year?

GUIDELINES:

Question 90 asks whether the Year-End Report includes estimates of the differences between the original estimates and the actual outcome for the fiscal year for borrowing and debt, including its composition, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- *the amount of net new borrowing required during the budget year;*
- *the central government's total debt burden at the end of the budget year; and*
- *the interest payments on the outstanding debt for the budget year.*

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

c. Yes, estimates of the differences between some but not all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

Pages 6–8 present:

Original vs. actual debt stock: M23.6 billion (estimated) vs. M23.1 billion (actual)

Breakdown by composition: external vs. domestic, multilateral, bilateral, commercial, export credits

Narrative discussion explaining the differences:

Debt reduction due to maturing domestic debt

Favorable exchange rate movements

Lower-than-expected new borrowing

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

IBP Comment

To note, the National Budget Brief includes some information on debt levels and composition, along with narrative explanations of changes. However, it does not systematically present comparisons between original estimates and actual outcomes for all key borrowing and debt indicators (such as net borrowing and interest payments), nor does it consistently link these differences to the estimates presented in the Executive's Budget Proposal. Therefore, only partial information is provided, and a "c" response has been selected.

90b. Based on the response to Question 90, check the box(es) to identify which estimates of government borrowing and debt, including its composition, have the differences between the original forecast and the actual outcome for the year presented in the Year-End Report:

Answer:

The central government's total debt burden at the end of the budget year
Whether the debt is domestic or external

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

Real GDP and sectoral growth: Domestic Economic Outlook on page 4.
Inflation trends and projections: Inflation on pages 4–5.
Revenue details: Budget Financing – Revenue on page 7.
External and domestic debt: Debt Developments on pages 7–8.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

IBP Comment

Under the assumption that the reference to June 2023/24 reflects the beginning of the fiscal year and June 2024/25 reflects the end of the fiscal year, the report presents information that allows for a comparison of the total debt burden and the composition of debt (domestic vs external). In this sense, differences between the two periods can be inferred for these indicators. However, the report does not clearly present information on net new borrowing, nor does it provide an explicit comparison between original estimates and actual outcomes for this indicator. Therefore, net new borrowing has been deselected.

91. Does the Year-End Report present the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

GUIDELINES:

Question 91 asks whether the Year-End Report includes estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 15 for the components of the macroeconomic forecast in the Executive's Budget Proposal. Core components include estimates of the nominal GDP level, inflation rate, real GDP growth, and interest rates, although the importance of other macroeconomic assumptions, such as the price of oil, can vary from country to country.

To answer "a," the Year-End Report must include estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. Answer "c" if estimates of the differences between some but not all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

d. No, estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year is not presented.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

Page 4–5:

Presents actual GDP growth and inflation outcomes for 2023/24.
Includes a narrative discussion explaining sectoral performance and inflation drivers.
Missing Elements:

No data on nominal GDP level, interest rates, or other macroeconomic assumptions.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer:

d. No, estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year is not presented.

Researcher Response

MAINTAIN A 'D' SCORE

IBP Comment

IBP thanks the government reviewer for their comment, and after a second review has revised the response from “c” to “d.” While the National Budget Brief includes general macroeconomic information and forward-looking projections (e.g., GDP growth and inflation), it does not present a comparison between the original macroeconomic forecasts for the fiscal year and the actual outcomes for that same year.

91b. Based on the response to Question 91, check the box(es) to identify which elements of the macroeconomic forecast have the differences between the original forecast and the outcome for the year presented in the Year-End Report:

Answer:

None of the above

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

Page numbers for core elements selected:

- Real GDP and sectoral growth: Domestic Economic Outlook on page 4
- Inflation trends: Inflation on pages 4–5
- Revenue details: Budget Financing – Revenue on page 7
- External and domestic debt: Debt Developments on pages 7–8

Additional information beyond core elements:

Yes, the document provides sectoral GDP growth details (Figure 2 on page 4). If this is considered “additional” here, then the same should apply to the Executive Budget Proposal (EBP), which also includes sectoral GDP growth.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer: Such information is not provided.

IBP Comment

IBP thanks the government reviewer for their comment, and after a second review has revised the response from inflation rate, real GDP growth, and

information beyond the core to "None of the above". See response to q91, but specifically, the report does not provide estimates of the differences between forecasted and actual values for key macroeconomic indicators such as GDP growth or inflation, nor does it include a narrative discussion explaining any such deviations. As a result, the report does not meet OBS criteria for presenting differences between original forecasts and actual outcomes.

92. Does the Year-End Report present the differences between the original estimates of nonfinancial data on inputs and the actual outcome?

GUIDELINES:

Question 92 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 49 for the nonfinancial data on inputs included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

d. No, estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome are not presented.

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

The 2023–24 National Budget Brief does not present estimates of the differences between original forecasts and actual outcomes for nonfinancial data on inputs

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

93. Does the Year-End Report present the differences between the original estimates of nonfinancial data on results and the actual outcome?

GUIDELINES:

Question 93 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 92).

Refer to Question 50 for the nonfinancial data on results included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

d. No, estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome are not presented.

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

The 2023–24 National Budget Brief does not present estimates of the differences between original and actual nonfinancial results data

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

94. Does the Year-End Report present the differences between the enacted level of funds for policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations and the actual outcome?

GUIDELINES:

Question 94 asks whether the Year-End Report includes estimates of the differences between the enacted level of funds for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 52 for assistance to the most impoverished populations in the Executive's Budget Proposal.

To answer "a," the Year-End Report must present estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between the enacted level for some but not all of the policies that are intended to benefit the country's most impoverished populations and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

d. No, estimates of the differences between the enacted level for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are not presented.

Source:

<https://www.budgetportal.gov.Is:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

<https://www.budgetportal.gov.Is:7024/PDFDocuments/2023-2024%20Social%20Sector%20Budget%20Brief-638648810526860203.pdf>

Comment:

National Budget Brief:

- Macroeconomic context and fiscal allocations – pages 4–6
- Social sector share of total budget – page 9
- Education and health allocations – pages 21–23

Social Sector Budget Brief:

- Health sector allocation and priorities – pages 14–16
- Education sector allocation and financing – pages 21–23
- Social protection programs and budget – pages 27–31

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer:

d. No, estimates of the differences between the enacted level for policies that are intended to benefit directly the country's most impoverished

populations and the actual outcome are not presented.

Researcher Response

AGREE TO A REVISED SCORE

IBP Comment

IBP thanks the government reviewer for their comment, and after a second review has revised the response from "a" to "d." While the National Budget Brief and the Social Sector Budget Brief include general information on social sector allocations and identify programs intended to support vulnerable populations, they do not present estimates of the differences between enacted and actual spending for these specific policies. The Social Sector Budget Brief provides detailed descriptions of social assistance programs (e.g., child grants, pensions, and public assistance) and outlines sector-level allocations and some aggregate execution rates. However, it does not present approved and executed expenditures at the level of individual programs, nor does it provide a comparison of differences between the two. Similarly, the National Budget Brief presents information at an aggregate level without linking enacted and actual spending for specific pro-poor policies. Therefore, due to the absence of program-level execution data and the lack of systematic comparisons between approved and executed amounts, the reports do not meet OBS criteria for this question.

95. Does the Year-End Report present the differences between the original estimates of extra-budgetary funds and the actual outcome?

GUIDELINES:

Question 95 asks whether the Year-End Report presents estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 33 for estimates of extra-budgetary funds in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented. As with question 33, answer "e" can be used if there is clear evidence that extra-budgetary funds do not exist. However, if such funds do exist but are not reported, the appropriate answer would be "d," not "e."

Answer:

d. No, estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome is not presented.

Source:

<https://www.budgetportal.govt.nz/7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

The 2023–24 National Budget Brief does not present estimates of the differences between the original forecasts and actual outcomes for extra-budgetary funds. There is no mention or analysis of extra-budgetary operations, nor any indication that such funds were tracked or reported in the Year-End Report.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

96. Is a financial statement included as part of the Year-End Report or released as a separate report?

GUIDELINES:

Question 96 asks whether a financial statement is included as part of the Year-End Report, or whether it is released as a separate report. The financial statement can include some or all of the following elements: a cash flow statement, an operating statement, a balance sheet, and notes on accounting. For purposes of responding to this question, the financial statement in question does not need to be audited. For an example of a financial statement, see the document "Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022" (<https://www.treasury.govt.nz/publications/year->

[end/financial-statements-2022\)](#)

To answer "a," a financial statement must either be included in the Year-End Report or must be released as a separate report. Answer "a" applies if a financial statement is released as a separate report, even if the Year-End Report is not publicly available. Answer "b" applies if no financial statement is released either as part of the Year-End Report or as a separate report.

Answer:

b. No, a financial statement is neither part of the Year-End Report nor released as a separate report.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-24%20National%20Budget%20Brief-638648817361621766.pdf>

Comment:

The 2023-24 National Budget Brief does not include a financial statement

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

97. What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?

GUIDELINES:

Question 97 asks about the types of audits conducted by the Supreme Audit Institution (SAI). There are three basic types of audits:

- Financial audits are intended to determine if an entity's financial information is accurate (free from errors or fraud) and presented in accordance with the applicable financial reporting and regulatory framework. See ISSAI 200 (<https://www.issai.org/pronouncements/financial-audit-principles/>) for more details.
- Compliance audits look at the extent to which the relevant regulations and procedures have been followed. See ISSAI 400 (<https://www.issai.org/pronouncements/issai-400-compliance-audit-principles/>) for more details.
- Performance audits assess whether activities are adhering to the principles of economy, efficiency, and effectiveness. See ISSAI 300 (<https://www.issai.org/pronouncements/issai-300-performance-audit-principles/>) for more details.

Financial and compliance audits are more common than performance audits, which usually occur only once a performance framework has been agreed upon. In some countries, the SAI's mandate limits the type of audit it can conduct.

To answer "a," the SAI must have conducted all three types of audit – financial, compliance, and performance – and made all of them available to the public. A "b" response applies if the SAI has conducted two of the three audit types, and a "c" applies if it has conducted only one type of audit. Answers "b" and "c" may be selected even if the Audit Report is not publicly available, as long as the SAI has conducted compliance or performance audits and made them available to the public. A "d" response applies if the SAI has not conducted any of the three types of audits, or has not made them available to the public.

Answer:

b. The SAI has conducted two of the three types of audits, and made them available to the public.

Source:

<https://auditorgeneral.org.ls/wp-content/uploads/2024/08/REPORT-OF-THE-AUDITOR-GENERAL-MARCH-2022.pdf>

Comment:

For the fiscal year being assessed this round (FY 2022/23 or FY 2023/24), no audit report has been made publicly available.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. The SAI has conducted all three types of audits (compliance, financial, or performance) and made them available to the public.

Comments: They are still produced but published very late

IBP Comment

IBP thanks the government reviewer for the clarification and additional context. Upon further review, IBP agrees that the Office of the Auditor-General conducts financial, compliance, and performance audits as part of its mandate. However, under OBS methodology, financial audit reports are only considered publicly available if they are published within 18 months following the end of the fiscal year under review. In this case, the core financial audit reports were published too late to satisfy the OBS public availability requirements. At the same time, the FY 2021/22 Audit Report, published during the OBS assessment period (2024), includes compliance and performance audit work, and OBS methodology allows these types of audits to count for this question even if the associated financial audit report was published late, provided the reports themselves were publicly available during the OBS assessment period (January 1, 2023 to December 31, 2024). Therefore, while the financial audit component cannot be credited due to the delay in publication, the compliance and performance audit components are counted. As such, the response has been revised from "d" to "b" and the evidence was added to the source field.

98. What percentage of expenditures within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:

Question 98 focuses on the coverage of audits by the Supreme Audit Institution (SAI), asking what percentage of expenditures within the SAI's mandate has been audited.

The SAI's mandate is typically defined in statute. Only expenditures related to budgetary central government (ministries, departments, and agencies) that are within the SAI's mandate should be considered for this question. (Question 99 addresses audits of extra-budgetary funds.) Further, the question does not apply to "secret programs" (for example, security-related expenditures that are confidential). Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

Only the Audit Report identified in Section 1 should be used to answer this question. Financial audits and compliance audits, or a hybrid of the two, can be taken into account to answer this question. Performance audits should not be considered for this question.

To answer "a," all expenditures within the SAI's mandate must be audited. A "b" response applies if at least two-thirds, but not all, expenditures within the SAI's mandate have been audited. A "c" response is appropriate when less than two-thirds of expenditures within the SAI's mandate have been audited. A "d" response applies when no expenditures have been audited.

Answer:

d. No expenditures have been audited.

Source:

N/A

Comment:

For the fiscal year being assessed (FY 2022/23 or FY 2023/24), no audit report has been made publicly available.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. All expenditures within the SAI's mandate have been audited.

Comments: Reports are produced but made public late

IBP Comment

IBP thanks the government reviewer for the clarification. IBP acknowledges that the Audit Report for FY 2022/23 has now been published; however, it was made publicly available approximately 32 months after the end of the fiscal year, which is well beyond the 18-month threshold required by OBS

methodology. According to the guidelines for Question 98, the assessment must be based only on the Audit Report identified in Section 1, and for a report to be considered in the OBS, it must meet the criteria for public availability within the specified timeframe. Since the FY 2022/23 Audit Report was not published within this period, it cannot be used for scoring purposes. In the absence of a publicly available Audit Report within the required timeframe for the assessed fiscal year, the criteria for options “a,” “b,” or “c” cannot be met. Therefore, the response is maintained as “d.”

99. What percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:

Question 99 focuses on audits of extra-budgetary funds, asking what percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited. These funds, although technically outside the budget, are governmental in nature and thus should be subject to the same audit requirement as other government programs.

The SAI's mandate is typically defined in statute. Only expenditures related to extra-budgetary funds within the SAI's mandate should be considered for this question. (Question 98 addresses audits of budgetary central government.) Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

To answer “a,” all extra-budgetary funds within the SAI's mandate must be audited. A “b” response applies if extra-budgetary funds accounting for at least two-thirds of, but not all, expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A “c” response applies if extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A “d” response applies if extra-budgetary funds have not been audited.

Answer:

d. No extra-budgetary funds have been audited.

Source:

N/A

Comment:

For the fiscal year being assessed (FY 2022/23 or FY 2023/24), no audit report has been made publicly available.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. All extra-budgetary funds within the SAI's mandate have been audited.

Researcher Response

AGREE TO MAINTAIN A 'D'

IBP Comment

IBP maintains the “d” response based on publicly available evidence. While the Supreme Audit Institution (SAI) has a mandate to audit extra-budgetary entities, the available documentation does not provide sufficient information to determine the extent to which these entities are systematically audited. Extra-budgetary entities are explicitly excluded from the Consolidated Financial Statements, which are the primary publicly available audited reports. As a result, there is no comprehensive, centralized source of information demonstrating audit coverage of these entities. Although the Auditor General's report references audits of certain statutory bodies and public entities, it does not clearly indicate what proportion of extra-budgetary funds within the SAI's mandate has been audited. Furthermore, the limited information available on audits of statutory bodies is contained in the audit report on the Consolidated Financial Statements, which was published beyond OBS public availability timelines and therefore cannot be used as evidence for this assessment. Given that OBS assessments rely on timely and publicly available information, and in the absence of clear and comprehensive evidence on audit coverage of extra-budgetary funds, the response remains “d.”

100. Does the annual Audit Report(s) prepared by the Supreme Audit Institution (SAI) include an executive summary?

GUIDELINES:

Question 100 asks whether the annual Audit Report includes an executive summary. Only the Audit Report identified in Section 1 should be used to answer this question. The Audit Report can be a fairly technical document, and an executive summary of the report's findings can help make it more accessible to the media and the public.

To answer "a," the Audit Report must include at least one executive summary summarizing the report's content. Answer "b" applies if the Audit Report does not include an executive summary, or the Audit Report is not made publicly available.

Answer:

b. No, the annual Audit Report(s) does not include an executive summary.

Source:

N/A

Comment:

For the fiscal year being assessed (FY 2022/23 or FY 2023/24), no audit report has been made publicly available.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the annual Audit Report(s) includes one or more executive summaries summarizing the report's content.

IBP Comment

IBP thanks the government reviewer for the clarification and acknowledges that the Audit Report includes an executive summary. However, the Audit Report for FY 2022/23 was made publicly available approximately 32 months after the end of the fiscal year, which exceeds the 18-month threshold required under OBS methodology and falls outside the OBS cut-off date. As a result, it cannot be used for scoring purposes. In the absence of a timely, publicly available Audit Report for the assessed fiscal year, the criteria for responses "a," "b," or "c" are not met. Therefore, the response is maintained as "d."

101. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?

GUIDELINES:

Question 101 asks whether the executive reports to the public on the steps it has taken to address audit recommendations made by the Supreme Audit Institution (SAI). The ultimate purpose of audits is to verify that the budget was executed in a manner consistent with existing law, and to hold the government accountable for this execution and its future improvement. The extent to which audits achieve the latter depends on whether there is adequate and timely follow-up on the recommendations provided in the SAI's audit reports.

To answer "a," the executive must report publicly on the steps it has taken to address all audit findings. A "b" response applies if the executive reports publicly on the steps it has taken to address most, but not all, audit findings. A "c" response applies if the executive reports publicly on the steps it has taken to address only some audit findings. As long as the executive reports publicly on the steps it has taken to address audit finding, answer "a," "b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if the executive does not report at all on its steps to address audit findings.

Answer:

c. Yes, the executive reports publicly on some audit findings.

Source:

Governance Sector Brief: <https://www.budgetportal.gov.ls:7024/PDFDocuments/2023-2024%20GOVERNANCE%20SECTOR%20BRIEF-638648812028334991.pdf>

Comment:

The Governance Sector Brief for 2023/24 provides some information related to audit follow-up, which supports a score of "c." For example, the brief notes that "only 60 percent of audit recommendations were implemented, despite 12 completed audits." However, the document does not provide

further detail—such as a breakdown of which recommendations were implemented versus those outstanding—nor does it offer a systematic or comprehensive update on audit findings across entities.

Given the limited scope and lack of disaggregated information, the available evidence does not meet the criteria for a higher score.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

102. Does either the Supreme Audit Institution (SAI) or legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?

GUIDELINES:

Question 102 asks whether the Supreme Audit Institution (SAI) or the legislature track actions by the executive to address audit recommendations. After audit results and recommendations are discussed and validated by the legislature, the executive is normally asked to take certain actions to address the audit findings. For accountability purposes, the public needs to be informed about the status of those actions, and steps the executive has taken to address audit recommendations. In addition to the executive reporting on its actions (see Question 101), the SAI and legislature – as the key oversight institutions – have a responsibility to keep the public informed by tracking the executive’s progress in addressing audit recommendations.

To answer “a,” the SAI or legislature must report publicly on what steps the executive has taken to address all audit findings. A “b” response applies if the SAI or legislature reports publicly on what steps the executive has taken to address most, but not all, audit findings. A “c” response applies if the SAI or legislature reports publicly on what steps the executive has taken to address only some audit findings. As long as the SAI or legislature reports publicly on the steps the executive has taken, answer “a,” “b,” or “c” may be selected, even if the Audit Report is not made publicly available. A “d” response applies if neither the SAI nor the legislature reports on the executive’s steps to address audit findings.

Answer:

d. No, neither the SAI nor legislature reports on steps the executive has taken to address audit recommendations.

Source:

N/A

Comment:

Neither the Office of the Auditor General nor Parliament, or its committees, reports on the actions taken by the executive to address audit findings and recommendations.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

103. Is there an Independent Fiscal Institution (IFI) that conducts budget analyses for the budget formulation and/or approval process?

GUIDELINES:

Question 103 examines whether an Independent Fiscal Institution (IFI) exists that contributes budget analyses to the budget formulation and/or approval process. According to the Principles for Independent Fiscal Institutions, adopted by the OECD Council in 2014, “independent fiscal institutions are publicly funded, independent bodies under the statutory authority of the executive or the legislature which provide non-partisan oversight and analysis of, and in some cases advice on, fiscal policy and performance”, and with “a forward-looking ex ante diagnostic task”. In practice, they come in two main forms:

- Parliamentary budget offices (also known as PBOs) such as the Congressional Budget Office in the United States (<https://www.cbo.gov/>), the Parliamentary Budget Office in South Africa (<https://www.parliament.gov.za/parliamentary-budget-office>), and the Center for Public Finance Studies in Mexico (Centro de Estudios de las Finanzas Públicas, <http://www.cefp.qob.mx/>); or
- Fiscal councils such as the Office for Budget Responsibility in the United Kingdom (<https://obr.uk/>) and the High Council for Public Finances in France (Haut Conseil des finances publiques, <https://www.hcfp.fr/>).

For more information, see von Trapp et al. 'Principles for Independent Fiscal Institutions and Case Studies', OECD Journal on Budgeting 15:2 (special issue, 2016), <https://doi.org/10.1787/budget-15-5jm2795tv625>.

To answer "a," there must be an IFI, and its independence must be set in law. In addition, it must have sufficient staffing and resources, including funding, to carry out its tasks. Answer "b" applies if an IFI exists, but either its independence is not set in law or its staffing and resources are insufficient to carry out its tasks. Answer "c" applies if an IFI exists, but its independence is not set in law and it lacks sufficient staffing and resources. Answer "d" applies if no IFI exists.

If the answer is "a," "b," or "c," please specify in the comments the name and type of IFI that exists (e.g., parliamentary budget office or fiscal council). If the answer is "a" or "b," identify the law that guarantees its independence, and provide evidence in support of the assessment of the adequacy of its staffing and resources. This can include the IFI's total budget allocation over recent years, any press reports that discuss perceived funding shortfalls, assessments by international organizations, and/or information from interviews with staff of the IFI.

Answer:

d. No, there is no IFI.

Source:

Comment:

There is no IFI in Lesotho.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

104. Does the Independent Fiscal Institution (IFI) publish macroeconomic and/or fiscal forecasts?

GUIDELINES:

Question 104 assesses whether an Independent Fiscal Institution (IFI) has a role in producing the macroeconomic forecast (e.g., GDP growth, inflation, interest rates, etc.) and/or the fiscal forecast (revenues, expenditure, deficits, and debt), and if so, what kind of role it has. Macroeconomic and/or fiscal forecasting is a typical core function across IFIs, but their role in forecasting takes several forms (von Trapp et al. 2016, p. 17 and Table 2). Some IFIs produce just a macroeconomic forecast, while others produce a complete fiscal forecast (which also typically requires an underlying macroeconomic forecast). In some cases, the fiscal forecast reflects continuation of current budget policies; such forecasts can be used by the legislature, the media, or the public to assess the projections in the executive's budget reflecting the government's policy proposals.

Some IFIs produce the official macroeconomic and fiscal forecasts used in the executive's budget. In other cases, IFIs do not prepare their own independent forecasts, but rather produce an assessment of the official estimates, or provide an opinion on, or endorsement of, the government's forecasts. Some others have no role at all in forecasting.

To answer "a," there must be an IFI that publishes both its own macroeconomic AND fiscal forecasts. Answer "b" applies if an IFI publishes its own macroeconomic OR fiscal forecast (but not both). Answer "c" applies if the IFI does not publish a macroeconomic or fiscal forecast, but rather publishes an assessment of the official forecasts produced by the executive and used in the budget. Choose option "d" if there is no IFI; or if there is an IFI that neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts for the budget.

Macroeconomic forecasts may include indicators relating to economic output and economic growth, inflation, and the labor market, amongst others. Fiscal forecasts may include estimates of revenues, expenditures, the budget balance, and debt. If the answer is "a" or "b," please specify which indicators and estimates are included in the forecasts and whether the forecast is used by government as the official forecast. If the answer is "c," please describe the nature and depth of the assessment (e.g., the length of the commentary, or whether it covers both economic and fiscal issues).

Answer:

d. No, there is no IFI; or the IFI neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts produced by the executive.

Source:

Comment:

The researcher has not found any evidence of an IFI that conducts budget analyses for the budget formulation and/or approval process.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

105. Does the Independent Fiscal Institution (IFI) publish its own costings of new policy proposals, to assess their impact on the budget?

GUIDELINES:

Question 105 assesses whether an Independent Fiscal Institution (IFI) has a costing function that involves assessing the budgetary implications of new policy proposals for both revenues and expenditures, and if so, what kind of role it has. Many IFIs have a costing role, but with substantial diversity in the nature and extent of this work (von Trapp et al 2016, pp. 17-18 and Table 2). Some assess virtually all new policy proposals, while others cost only a selection of new policy proposals. Others only publish opinions on, or scrutinize the costings of, budget measures produced by the executive.

To answer "a," the IFI must publish its own costings of all (or virtually all) new policy proposals. Answer "b" applies if the IFI publishes its own costings, but only for major new policy proposals – for instance, only those proposals that cost or save above a certain amount. Answer "c" applies if the IFI publishes its own costings, but only on a limited number of proposals. This could occur, for instance, if the IFI lacked the capacity to assess proposals dealing with certain sectors. Instead of producing a cost estimate, it can also publish an assessment of the estimates produced by the executive. Answer "d" applies if there is no IFI; or if the IFI does not publish its own costings of new policy proposals or provide an assessment of the official costings of new policy proposals.

Answer:

d. No, there is no IFI; or the IFI does not publish its own costings of new policy proposals.

Source:

Comment:

There is no IFI.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

106. In the past 12 months, how frequently did the head or a senior staff member of the Independent Fiscal Institution (IFI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:

Question 106 concerns the interaction between two important oversight actors and assesses how frequently the Independent Fiscal Institution (IFI) made high-level inputs to the work of legislative committees. Almost all IFIs interact with the legislature in some form (von Trapp et al 2016, p. 18), but the intensity of the

interaction varies. This question assesses this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the IFI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the IFI staff member in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). As evidence to support your answer, you can refer to official records of legislative committees, websites and annual reports of the IFI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; and "c" for once or twice. Answer "d" should be selected if the head or a senior staff member of the IFI never took part and testified in hearings of a committee of the legislature, or if there is no IFI.

Answer:

d. Never, or there is no IFI.

Source:

Comment:

There is no IFI.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

107. Does the full legislature and/or a legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal?

GUIDELINES:

Question 107 asks whether the legislature debated budget policies prior to the tabling of the Executive's Budget Proposal for the most recent budget year before the research cut-off date. In general, prior to discussing the Executive's Budget Proposal for the coming year, the legislature should have an opportunity to review the government's broad budget priorities and fiscal parameters. Often times this information is laid out in a Pre-Budget Statement, which the executive presents to the legislature for debate. (See Questions 54-58.)

A number of countries conduct a pre-budget debate in the legislature around six months before the start of the budget year. In some cases, they adopt laws that guide the upcoming budget, for example the Budget Guidelines Law in Brazil and the Spring Fiscal Policy Bill in Sweden. A pre-budget debate can serve two main purposes: 1) to allow the executive to inform the legislature of its fiscal policy intentions by presenting updated reports on its annual and medium-term budget strategy and policy priorities; and 2) to establish "hard" multi-year fiscal targets or spending ceilings, which the government must adhere to when preparing its detailed spending estimates for the upcoming budget year.

To answer "a," the full legislature must debate budget policy prior to the tabling of the Executive's Budget Proposal and approve recommendations for the upcoming budget.

Answer "b" applies if a legislative committee (but not the full legislature) debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the budget. Option "b" also applies if, in addition to the action by the committee, the full legislature also debates budget policy in advance of the budget, but does not approve recommendations.

Answer "c" applies if the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, but does not approve recommendations for the budget. Answer "d" applies if neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

In your comment, please indicate the dates of the budget debate, and if both the full legislature and a legislative committee held a debate. Note that a debate does not need to be open to the public, but a public record of the meeting or a public notice that the meeting occurred is required. In addition, please indicate whether the budget debate was focused on a Pre-Budget Statement published by the Executive. If the Executive did not publish a Pre-Budget Statement, then please indicate what served as the focus of the legislature's debate (for instance, a report released by an IFI or some other institution).

Answer:

d. No, neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

Source:

<https://nationalassembly.parliament.ls/wp-content/uploads/2024/03/Final-report-edited.pdf>

Comment:

The Portfolio Committee on the Economic and Development Cluster reviewed the 2024/25 budget estimates, including national priorities, fiscal policy, and recommendations. However, this process occurs after the Executive's Budget Proposal has been tabled in Parliament. Therefore, based on the timing and structure of the process, the appropriate response is "d"—no debate on budget policy prior to tabling.

See page 4: "On Wednesday, 21st February, 2024 the Honourable Minister of Finance and Development Planning presented the Revenue and Expenditure Estimates for the Financial Year 2024/2025 before Parliament as Section 112 (1) of the Constitution and Section 4 (b) of the Public Financial Management and Accountability Act, 2011, dictates. These Estimates were introduced to the National Assembly and referred to the relevant Portfolio Committee for scrutiny as required by Standing Order No. 67."

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

108. How far in advance of the start of the budget year does the legislature receive the Executive's Budget Proposal?**GUIDELINES:**

Question 108 examines how far in advance of the start of the most recent budget year the legislature receives the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be submitted to the legislature far enough in advance to allow the legislature time to review it properly, or at least three months prior to the start of the fiscal year. (See, for instance, Principle 2.2.2 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>)).

For the purposes of responding to this question, if – and only if – the most recent budget submission occurred later than usual as a result of a particular event, such as an election, please use a more normal year as the basis for the response. If, however, delays have been observed for more than one budget year, and the legislature has not received the Executive's Budget Proposal in a timely manner on more than one occasion in the last three years, then "d" will be the appropriate answer.

To answer "a," the legislature must receive the Executive's Budget Proposal at least three months in advance of the start of the budget year. Answer "b" applies if the legislature receives the Executive's Budget Proposal at least two months, but less than three months, before the start of the budget year. Answer "c" applies if the legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year. Answer "d" applies if the legislature does not receive the Executive's Budget Proposal at least one month prior to the start of the budget year, or does not receive it at all.

Answer:

c. The legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year.

Source:

<https://nationalassembly.parliament.ls/wp-content/uploads/2024/03/Final-report-edited.pdf>

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

Comment:

Date of Budget Proposal Submission:

The Executive's Budget Proposal was tabled in Parliament on 21 February 2024 by the Minister of Finance, Hon. Retselisitsoe Matlanyane 1.

Start of Fiscal Year in Lesotho:

Lesotho's fiscal year runs from 1 April to 31 March 23.

Time Between Submission and Fiscal Year Start:

From 21 February to 1 April is approximately 5.5 weeks, which is less than two months but more than one month.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

109. When does the legislature approve the Executive's Budget Proposal?

GUIDELINES:

Question 109 examines when the legislature approves the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be approved by the legislature before the start of the fiscal year the budget proposal refers to. This gives the executive time to implement the budget in its entirety, particularly new programs and policies.

In some countries, the expenditure and revenue estimates of the Executive's Budget Proposal are approved separately; for purposes of this question, at least the expenditure estimates must be approved. Further, approval of the budget implies approval of the full-year budget, not just a short-term continuation of spending and revenue authority.

To answer "a," the legislature must approve the Executive's Budget Proposal at least one month before the start of the budget year. Answer "b" applies if the legislature approves the Executive's Budget Proposal less than one month in advance of the start of the budget year, but at least by the start of the budget year. Answer "c" applies if the legislature approves the Executive's Budget Proposal less than one month after the start of the budget year. Answer "d" applies if the legislature approves the Executive's Budget Proposal more than one month after the start of the budget year, or does not approve the budget.

Answer:

b. The legislature approves the budget less than one month in advance of the start of the budget year, but at least by the start of the budget year.

Source:

<https://nationalassembly.parliament.ls/wp-content/uploads/2024/03/Final-report-edited.pdf>

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Budget%20Speech%202024-25%2021-02-2024-638483647095390682.pdf>

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

Hansard March 25, 2024: <https://nationalassembly.parliament.ls/wp-content/uploads/2024/07/25th-Monday.pdf>

Order Papers for March 25, 2024: <https://nationalassembly.parliament.ls/wp-content/uploads/2024/03/ORDER-PAPER-FOR-MONAY-25TH-MARCH-2024.pdf>

Comment:

Budget Proposal Submission Date:

The Executive's Budget Proposal was tabled in Parliament on 21 February 2024.

Start of Fiscal Year:

Lesotho's fiscal year begins on 1 April 2024.

Approval Date:

The Executive's Budget Proposal for FY 2024/25 was presented to Parliament on 21st February 2024. The Official Gazette confirms that the legislature approved the budget on 2nd April 2024, which is after the start of the fiscal year. Therefore, the appropriate response is "c"—the legislature approved the budget within three months after the start of the fiscal year.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. The legislature approves the budget less than one month in advance of the start of the budget year, but at least by the start of the budget year.

Researcher Response

AGREE TO A REVISED SCORE

IBP Comment

IBP has conducted a second review of the available evidence and confirms, based on the official Hansard record, that the Appropriation (2024/2025) Bill was passed by the National Assembly on 25 March 2024 (<https://nationalassembly.parliament.ls/wp-content/uploads/2024/07/25th-Monday.pdf>). This date is prior to the start of the fiscal year on 1 April 2024. While the Official Gazette indicates a later publication date, OBS methodology considers the date of legislative approval (i.e., passage by the legislature) for this question. The Hansard clearly records that the bill was read for the Third Time and agreed to on 25 March 2024, confirming its approval before the fiscal year began. Accordingly, the response has been revised from "c" to "b", as the legislature approved the budget less than one month in advance of the start of the budget year. Additional evidence has been provided to support this revision.

110. Does the legislature have the authority in law to amend the Executive's Budget Proposal?**GUIDELINES:**

Question 110 examines the legislature's power to amend—as opposed to simply accept or reject—the budget proposal presented by the executive. This question is about legal authority rather than actions the legislature takes in practice. The legislature's powers to amend the budget can vary substantially across countries.

The "a" response is appropriate only if there are no restrictions on the right of the legislature to modify the Executive's Budget Proposal, including its right to change the size of the proposed deficit or surplus. The "b" response would be appropriate if, for instance, the legislature is restricted from changing the deficit or surplus, but it still has the power to increase or decrease funding and revenue levels. The more limited "c" response would apply if, for instance, the legislature can only re-allocate spending within the totals set in the Executive's Budget Proposal or can only decrease funding levels or increase revenues. Finally, response "d" would apply if the legislature may not make any changes (or only small technical changes), or if amendments must first be approved by the executive. In these cases, the legislature is essentially only able to approve or reject the budget as a whole. If the answer is "b" or "c", please indicate the nature of the amendment powers available to the Parliament and how they are limited.

Answer:

c. Yes, the legislature has authority in law to amend the Executive's Budget Proposal, but its authority is very limited.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/PFMA%20Act%202011-638328140475918437.pdf>

<https://nationalassembly.parliament.ls/wp-content/uploads/2022/11/Standing-Order-2022-L.N.-No.-114-of-2022.pdf>

Comment:

According to the "STANDING ORDERS OF THE NATIONAL ASSEMBLY OF LESOTHO " document, From Page 54 "Procedure in Committee of Supply", the committee reviewing the estimates may propose and debate an amendment to the EBP.

National Assembly Standing Orders

Powers and Functions of Portfolio Committees Page 1702 section 95 sub-section 1(d)

Relevant Sections to Review:

Section 18 – Outlines the budget process and submission to Parliament.

Section 20 – Discusses Parliament's role in reviewing and approving the budget.

Section 21 – May include provisions on amendments and limitations.

Standing Order 67–75: Chapter X – Financial Procedure

While the Standing Orders allow Portfolio Committees to propose and debate amendments to the Executive's Budget Proposal, there is no explicit legal provision in the Constitution or Public Financial Management and Accountability Act granting the full legislature the authority to formally amend the budget. Therefore, the appropriate response remains "c"—the legislature may amend the proposal in practice or based on tradition, but not by explicit legal authority.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

111. During the most recent budget approval process, did the legislature use its authority in law to amend the Executive's Budget Proposal?

GUIDELINES:

Question 111 assesses whether any formal authority of the legislature to amend the Executive's Budget Proposal is used in practice. The responses to this question should be determined based on action by the legislature related to the Enacted Budget used in the OBS. Choose answer "a" if the legislature used its authority in law to amend the Executive's Budget Proposal during the most recent budget approval process, and amendments were adopted (all, or at least some of them). Answer "a" also applies if the legislature used its authority in law to amend the Executive's Budget Proposal, but the amendments were rejected by executive veto. Answer "b" applies if the legislature used its authority in law to propose amendments to the Executive's Budget Proposal, but none of these amendments were adopted. Answer "c" applies if the legislature has the authority in law to amend the budget, but no amendments were proposed during its consideration. Answer "d" applies when the legislature does not have any authority to amend the budget (that is, Question 110 is answered "d").

If the answer is "a" or "b", please specify in the comments the number of amendments introduced by the legislature (and in the case of an "a" response, the number adopted, or if applicable, information about an executive veto) and describe their nature. For example, did the amendments result in an increase or decrease of the deficit? What were the most significant amendments to revenues and to expenditures in terms of the sums involved? How did amendments affect the composition of expenditures? If the answer is "a," please specify which amendments were adopted, and provide evidence for it.

Answer:

a. Yes, the legislature used its authority in law to amend the Executive's Budget Proposal, and (at least some of) its amendments were adopted.

Source:

<https://nationalassembly.parliament.ls/wp-content/uploads/2024/03/Final-report-edited.pdf>

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

<https://nationalassembly.parliament.ls/wp-content/uploads/2024/03/Final-report-edited.pdf>

Comment:

The Portfolio Committee on the Economic and Development Cluster submitted a Consolidated Report on the 2024/25 budget estimates to the National Assembly on 8 March 2024.

This report included recommendations and proposed amendments to various budget allocations, including:

Adjustments to consultancy allocations (e.g., M483,000 for consultants).

Reallocation of funds across ministries based on performance and strategic priorities.

The Appropriation Act 2024/2025, enacted on 1 April 2024, reflects some of these amendments, indicating that the legislature's proposals were adopted in part

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

112. During the last budget approval process, did a specialized budget or finance committee in the legislature examine the Executive's Budget Proposal?

GUIDELINES:

Question 112 assesses the role of a specialized budget or finance committee during the budget approval stage. Effective committee involvement is an essential condition for legislative influence in the budget process. Specialized committees provide opportunities for individual legislators to gain relevant expertise, and to examine budgets and policy in depth. Yet, the involvement of committees differs across legislatures. Some legislatures have separate committees to examine spending and tax proposals, while others have a single finance committee. Not all legislatures have a specialized budget or finance committee to examine the budget. In addition, there can be differences in the time available for the committee's analysis of the budget.

A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, therefore it must be published before the legislature has adopted the budget.

Response "a" requires that, in the last budget approval process, a specialized budget or finance committee had one month or more to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted. Response "b" applies where such a committee examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if a committee examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where a specialized budget or finance committee did not examine the Executive's Budget Proposal.

Please specify in your comment the name of the committee and the number of days it had available to examine the budget. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a copy of the report. Please note also if a report is published, but only after the budget has been adopted.

Answer:

a. Yes, a specialized budget or finance committee had at least one month to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted.

Source:

<https://nationalassembly.parliament.ls/wp-content/uploads/2024/03/Final-report-edited.pdf>

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

<https://nationalassembly.parliament.ls/wp-content/uploads/2024/03/Final-report-edited.pdf>

Comment:

The Portfolio Committee on the Economic and Development Cluster is the specialized committee responsible for reviewing the Executive's Budget Proposal in Lesotho.

The Minister of Finance presented the budget estimates to Parliament on 21 February 2024.

The committee had at least 15 days to examine the proposal and published its Consolidated Report on 8 March 2024, which is more than three weeks before the start of the fiscal year (1 April 2024).

The report includes:

Analysis of budget performance.

Review of national priorities.

Observations and recommendations.

Proposed amendments to allocations.

This process is in line with Standing Order No. 68 and 95(1)(d), which empower portfolio committees to scrutinize budget estimates and publish findings before the budget is adopted.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

113. During the last approval process, did legislative committees, responsible for particular sectors (e.g., health, education, defense, etc.), examine spending in the Executive's Budget Proposal related to the sector for which they are responsible?

GUIDELINES:

Question 113 assesses the role of committees of the legislature that are responsible for particular sectors (e.g., health, education, defense, etc.) during the budget approval stage. The role of sectoral committees differs across legislatures. Some legislatures do not involve them in the budget approval process, while others do. In addition, the time available for committee analysis differs.

A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, so therefore must be published before the legislature has adopted the budget. Response "a" requires that sector committees had one month or more to examine the Executive's Budget Proposal, and published a report with findings and recommendations prior the budget being adopted. Response "b" applies where such committees examined the draft

budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if sectoral committees examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where sectoral committees did not examine the Executive's Budget Proposal.

Please note that the examination of sectoral budgets by a specialized budget or finance committee is assessed in Question 112 and should not be considered for this question.

Please provide in the comments a brief overview of the committee structure and specify the number of days that sectoral committees had available to examine the budget and to publish their reports. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a sample copy of at least one of the reports. Please note if a report is published, but only after the budget has been adopted.

For purposes of responding to this question, use those sectoral committees that are best performing – that is, the ones that examine the budget the longest and that publish reports.

Answer:

b. Yes, sector committees had less than one month to examine the Executive's Budget Proposal, and they published reports with findings and recommendations prior to the budget being adopted.

Source:

<https://nationalassembly.parliament.ls/wp-content/uploads/2024/03/Final-report-edited.pdf>

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Appropriation%202024-25%20Act%202024-638483642090097986.pdf>

<https://nationalassembly.parliament.ls/wp-content/uploads/2024/03/Final-report-edited.pdf>

Comment:

The Portfolio Committee on the Economic and Development Cluster coordinated the budget review process, but sector-specific committees (e.g., Health, Education, Social Development, Agriculture, etc.) were actively involved.

According to the Consolidated Report presented on 8 March 2024, the sectoral committees:

Invited ministries and departments under their purview to present and justify their budget allocations.

Reviewed sector-specific spending and performance.

Submitted annexed reports with findings and recommendations, which were consolidated into the main report.

These committees had at least 15 days to conduct their reviews, starting from the tabling of the budget on 21 February 2024.

The report was published before the budget was adopted, fulfilling the requirement for timely committee input.

In the introduction of the report, it states:

"This report is the product of the work done by this Committee and four other Portfolio Committees, whose reports are incorporated in the form of Annexes to this main document."

Looking at the annexes, they include:

Annex 2: Portfolio Committee on the Social Cluster

Annex 3: Portfolio Committee on Law and Public Safety

Annex 4: Portfolio Committee on Natural Resources, Tourism, and Land Cluster

Annex 5: Portfolio Committee on the Prime Minister's Ministries and Departments, Governance, Foreign Relations, and Information

Although the annexes are a bit out of order, it does appear that they contain the reports and recommendations from those four sector committees – not just from the Economic and Development Cluster. Since these are presented as separate reports within the same document, a "B" is justified based on those committees' inputs.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

114. In the past 12 months, did a committee of the legislature examine in-year implementation of the Enacted Budget during the relevant budget execution period?

GUIDELINES:

Question 114 is about legislative oversight of budget execution. It assesses whether and how often a committee examined the implementation of the budget during the budget execution period (i.e., financial year) for which it was approved, and whether this resulted in an official report with findings and recommendations. This question does not apply to the ex post review of implementation following the end of the budget year as part of the audit stage, which is assessed separately. Nor does it apply to the legislature's review of the budget that it may undertake as part of the process of considering a supplemental budget during the year. In-year monitoring by the legislature will be affected by the frequency that the executive publishes In-Year Reports.

To answer "a," a committee must have examined in-year implementation of the Enacted Budget at least three times during the course of the relevant budget year and published reports with findings and recommendations. Answer "b" applies where this occurred only once or twice during the year.

Exception: If a legislature is in session only twice during the year, and it examines the implementation of the budget during both sessions, then it would be eligible for an "a" response.

Choose "c" if a committee examined in-year implementation (without regard to frequency), but did not publish any report with findings and recommendations. Answer "d" applies where no committee examined in-year implementation.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed budget implementation, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation.

For purposes of responding to this question, if more than one committee holds in-year reviews of the budget, use the committee that is best performing – that is, the one that examines in-year implementation the most times and that publishes a report.

Answer:

c. Yes, a committee examined in-year implementation, but it did not publish any report with findings and recommendations.

Source:

https://www.cabri-sbo.org/uploads/bia/Lesotho_2023_Execution_External_InYearReport_MinistryOfFinance_SADC_English_b49ad3.pdf

<https://www.facebook.com/photo/?fbid=374515675338833&set=pcb.374515808672153> <https://www.facebook.com/photo/?fbid=374515732005494&set=pcb.374515808672153> Feb 5th - 8th progress reports <https://www.facebook.com/photo/?fbid=368360642621003&set=pcb.368360842620983>

<https://www.facebook.com/photo/?fbid=368360642621003&set=pcb.368360842620983>

Comment:

There is evidence that parliamentary committees examined aspects of in-year budget implementation, though not in a manner that meets the requirements for a higher score.

As part of the government's transition toward a Medium-Term Budget Framework, line ministries are required to present quarterly and mid-year performance reports to their respective parliamentary portfolio committees. During the past 12 months, several committees held meetings where ministries presented progress updates linked to budget execution and performance.

For example, in February 2024, parliamentary committees conducted sessions reviewing the 2nd and 3rd Quarter Progress Reports for ministries such as Education and Health.

These hearings indicate that committees did review in-year implementation, including ministry performance against quarterly plans and budget allocations. However, there is no publicly available evidence that any of these committee reviews resulted in an official written report containing findings and recommendations.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

115. Does the executive seek approval from the legislature prior to shifting funds between administrative units that receive explicit funding in the Enacted Budget, and is it legally required to do so?

GUIDELINES:

Question 115 examines whether the executive seeks approval from the legislature prior to shifting funds between administrative units, and whether it is legally required to do so.

In some countries, the executive has the power in law to adjust funding levels for specific appropriations during the execution of the budget. This question examines rules around shifting funds between administrative units (ministries, departments, or agencies) or whatever funding unit (or "vote") is specified in the Enacted Budget.

The conditions under which the executive may exercise its discretion to shift funds should be clearly defined in publicly available regulations or law. In addition, the amount of funds that the executive is allowed to transfer between administrative units should not be so excessive as to undermine the accountability of the executive to the legislature.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before shifting funds between administrative units, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before shifting funds between administrative units, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before shifting funds, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to shift funds between administrative units and the executive does not obtain legislative approval in practice. Answer "d" also applies if the executive is authorized to shift an amount considered so excessive as to undermine accountability (roughly equal to 3 percent of total budgeted expenditures). A "d" response applies if the legislature only approves the shifting of funds after it has already occurred.

In the comments, please indicate any law or regulation that provides the executive with standing authority to shift funds between administrative units and, if so, describe that authority. Similarly, legislative approval for shifting funds between administrative units typically occurs with the adoption of legislation such as a supplemental budget. But if other formal procedures for gaining approval from the legislature exist, then please provide information about that approval process.

Answer:

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to shifting funds between administrative units, and in practice the executive shifts funds between administrative units before obtaining approval from the legislature.

Source:

<http://www.finance.gov.ls/documents/laws%20and%20regulations/PFMA%20Act%202011.pdf>

Comment:

According to Section 15 of the Public Financial Management and Accountability Act, 2011, the executive may reallocate funds between administrative units that receive explicit funding in the Enacted Budget. However, the law does not require prior approval from the legislature for such reallocations.

Section 112(3) of the Constitution and Chapters 15–16 of the 2011 Public Financial Management and Accountability Act outline general rules for virements and supplementary budgets. However, neither the Constitution nor the PFMA clearly defines the criteria, limits, or timing for submitting in-year budget adjustments. In practice, the executive rarely seeks prior legislative approval for shifts between administrative units; supplementary appropriations are often approved retroactively.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

116. Does the executive seek approval from the legislature prior to spending excess revenue (that is, amounts higher than originally anticipated) that may become available during the budget execution period, and is it legally required to do so?

GUIDELINES:

Question 116 examines whether the executive receives approval from the legislature prior to spending excess revenue, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if additional revenue is

collected unexpectedly during the year, which often happens in oil/mineral-dependent countries, and it was not accounted for in the Enacted Budget, there should be a procedure in place to ensure that the legislature approves any proposed use of these "new" funds. If such requirements are not in place, the executive might deliberately underestimate revenue in the budget proposal it submits to the legislature, in order to have additional resources to spend at the executive's discretion, with no legislative control.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before spending any funds resulting from higher-than-expected revenues, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before spending excess revenue, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before spending excess revenue, but does not do so in practice. Answer "d" applies if prior legislative approval is not legally required for the executive to spend excess revenue and the executive does not obtain legislative approval in practice. A "d" response applies if the legislature only approves the additional spending after it has already occurred.

Typically, legislative approval of additional spending beyond what was reflected in the Enacted Budget would occur with the adoption of a supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

Answer:

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to spending excess revenues, and in practice the executive spends these funds before obtaining approval from the legislature.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/PFMA%20Act%202011-638328140475918437.pdf>

https://www.budgetportal.gov.ls:7024/PDFDocuments/LESOTHO_Constitution-638605226619873469.pdf

Comment:

Under Lesotho's Constitution and Public Financial Management & Accountability Act, 2011, all excess revenues beyond the approved Budget must be appropriated by Parliament through a Supplementary Appropriation Bill. Standing Orders mandate prior legislative approval via statements and estimates before the Consolidated Fund can be accessed.

PFMA Act 2011 – Sections "Supplementary Appropriation" (s. 16) and "Authorization... in advance of appropriation" (s. 18) on page 7.

PFMA Act 2011 – Annual Appropriation Act provision (s. 14) on page 6.

Lesotho Constitution – Section 110 (Consolidated Fund) and 112(1–2) (Appropriation Acts).

National Assembly Standing Orders – Orders 67–74 detail parliamentary procedures for Budget and Appropriation Bills.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

117. Does the executive seek approval from the legislature prior to reducing spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period, and is it legally required to do so?

GUIDELINES:

Question 117 examines whether the executive receives approval from the legislature prior to cutting spending below the levels in the Enacted Budget in response to revenue shortfalls or for any other reason, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if less revenue is collected unexpectedly during the year, the legislature should approve or reject any proposed reductions in expenditures that are implemented as a result. If such requirements are not in place, the executive might substantially change the composition of the budget at the executive's discretion, with no legislative control.

Typically, legislative approval of proposals to reduce spending below the levels reflected in the Enacted Budget would occur as part of the supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before implementing spending cuts in response to revenue shortfalls or for other reasons, and it does so in practice. Answer "b" applies if the executive received legislative approval before implementing such cuts, but is not legally required to do so. Answer "c" applies if the executive is legally required to obtain legislative approval before implementing such cuts, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to implement such cuts and the executive does not

obtain such approval in practice. A "d" response applies if the legislature only approves the spending cuts after they have already occurred.

Answer:

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to reducing spending below enacted levels, and in practice the executive implements these spending cuts before seeking prior approval from the legislature.

Source:

<http://www.finance.gov.ls/documents/laws%20and%20regulations/PFMA%20Act%202011.pdf>

https://www.constituteproject.org/constitution/Lesotho_2011.pdf?lang=en

Comment:

The PFMA and Constitution of Lesotho has no provision or who should approve the reduced spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

118. Did a committee of the legislature examine the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI)?

GUIDELINES:

Question 118 is about ex post oversight following the implementation of the budget. It probes whether a committee examined the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI), and whether this resulted in an official report with findings and recommendations. A key issue is how soon after the SAI releases the report does it legislature review it. This question does not apply to the legislative scrutiny of in-year implementation of the Enacted Budget during the relevant budget execution period, which is assessed separately. Also, the question is asking specifically about the SAI's annual report on the execution of the budget, not about other audit reports that the SAI may produce. (This is the Audit Report used for responding to Question 98.)

To answer "a," a legislative committee must have examined the annual Audit Report within three months of it being released by the SAI, and then published a report (or reports) with findings and recommendations. (Note that the three-month period should only take into account time when the legislature is in session.)

Answer "b" applies when the committee examines it within six months of it being released (but more than three months), and then published a report with its findings and recommendations. Choose "c" if a committee examined the annual Audit Report more than six months after it became available or it did not publish any report with findings and recommendations. Answer "d" applies where no committee examined the annual Audit Report.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed the Audit Report, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation. Answers "a," "b," or "c" may be selected if the Audit Report is produced by the SAI but not made publicly available.

Answer:

c. Yes, a committee examined the Audit Report on the annual budget, but it did so after the report had been available for more than six months or it did not publish any report with findings and recommendations.

Source:

<https://sundayexpress.co.ls/lec-fails-to-account-for-m568m/>

<https://www.youtube.com/watch?v=xIXYAf-FmGw>

<https://lestimes.com/continued-disregard-of-public-financial-management-rules-worries-auditor-general-makenete/>

Comment:

Page 1705 Section 5 of the standing orders states there is a Committee called Public Accounts Committee that examines the Audit Report on the annual budget, but its reports are not made public or published on any platforms.

Audit Report Tabled in Parliament: The Auditor-General's report for the year ended 31 March 2022 was officially tabled in the National Assembly on 22 May 2024 for consideration by the PAC.

PAC Hearings Based on the Audit Report:

In July 2024, the PAC held hearings with the Ministry of Natural Resources regarding M175 million missing from the sale of Mothae Diamond Mine, a matter flagged in the 2021/2022 audit report. This confirms that the PAC was actively examining the report during 2024, but no publication was found on the PAC's examination of SAI report.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

119. Was the process of appointing (or re-appointing) the current head of the SAI carried out in a way that ensures his or her independence?

GUIDELINES:

Question 119 concerns the appointment process of the current head of the Supreme Audit Institution (SAI). Appointment procedures vary greatly across countries, as well as across different types of SAIs. Moreover, conventions and informal practices can greatly affect the de facto independence of the head of the SAI. While these factors make it difficult to devise a single metric against which all SAIs can be assessed with regard to this particular aspect, this question focuses on whether the legislature or judiciary must appoint or approve the appointment of the head of the SAI as a way to ensure the SAI's independence from the executive. However, if the appointment is carried out in another way that nonetheless ensures the independence of the SAI head, then that approach could be also considered.

To answer "a," the legislature or judiciary must appoint (or re-appoint) the head of the SAI, or approve the recommendation of the executive, as a way that ensure his or her independence from the executive. (As noted above, alternative approaches may also be acceptable.) Choose "b" if the appointment process does not ensure the independence of the head of the SAI, e.g. the executive may appoint the head of the SAI without the final consent of the legislature or judiciary.

Irrespective of which answer you selected, provide a description of how the head of the SAI is appointed.

Answer:

b. No, the executive may appoint the head of the SAI without the final consent of the legislature or judiciary.

Source:

<https://media.lesotholii.org/files/legislation/akn-ls-act-2016-6-eng-2016-09-16.pdf>
Lesotho

Comment:

According to Section 142(1) of the Constitution of Lesotho and the Audit Act, 2016, the Auditor-General is:

Appointed by the King, acting on the advice of the Prime Minister.

Sworn into office by the Chief Justice, but this is a ceremonial act and does not constitute approval or appointment.

There is no requirement for the legislature or judiciary to approve the appointment, which means the process does not guarantee independence from the executive.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

120. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?

GUIDELINES:

Question 120 covers the manner in which the head or senior members of the SAI may be removed from office. This question draws on best practices identified in the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>), including measures intended to guarantee the office's independence from the executive.

To answer "a," the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before the head of the SAI is removed. For example, the legislature or judiciary may give final consent following a certain external process, such as a criminal proceeding. So while the executive may initiate a criminal proceeding, the final consent of a member of the judiciary – or a judge – is necessary to render a verdict of wrongdoing that may lead to the removal from office of the head of the SAI. Answer "b" applies if the executive may remove the head of the SAI without the final consent of the judiciary or legislature.

Answer:

b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.

Source:

<https://lesotholii.org/akn/ls/act/2016/6/eng@2016-09-16/source.pdf>

Comment:

Page 5 of "Lesotho Audit Act, 2016 Act 6 of 2016"

States that the Head of SAI shall be removed from office by the executive if the question of his removal from office has been referred to a tribunal appointed under section 142(4), (5) and (6) of the Constitution and the tribunal has recommended to the executive that he ought to be removed for inability or for misbehavior.

Therefore, section 142(2) of the Constitution if the Auditor-General is for any reason unable to exercise the functions of his office under this Act, a person may be appointed to act as the Head of SAI.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

121. Who determines the budget of the Supreme Audit Institution (SAI)?

GUIDELINES:

Question 121 asks who determines the budget of the Supreme Audit Institution (SAI). To ensure objective audits of government budgets, another important component of the SAI's independence from the executive is the extent to which the SAI's budget is determined by a body other than the executive, and whether the SAI has adequate resources to fulfill its mandate.

Answer "a" applies if the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate, AND either the SAI determines its own budget and then submits it to the executive (which accepts it with little or no change) or directly to the legislature, or the budget of the SAI is determined directly by the legislature or judiciary (or some independent body). Answer "b" applies if the SAI's budget is determined by the executive (absent a recommendation from the SAI), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. Answer "c" applies if the legislature or judiciary (or some independent body) determines the SAI's budget, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Answer "d" applies if the executive determines the SAI's budget, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Please provide evidence in support of the assessment that the funding level is or is not broadly consistent with the resources the SAI needs to fulfill its mandate.

Answer:

d. The budget of the SAI is determined by the executive, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate.

Source:

<https://www.lena.gov.ls/oversight-institutions-cry-foul-of-lack-of-independence/>

<https://auditorgeneral.org.ls/wp-content/uploads/2023/08/New-Audit-act.pdf>

<https://lestimes.com/?p=84154>

Comment:

The Office of the Auditor-General (OAG) in Lesotho does not determine its own budget independently. Instead, the Minister of Finance plays a central role in preparing and submitting the national budget, including allocations for the OAG.

Section 37 of the Audit Act states that the Auditor-General shall prepare and submit to the Minister an annual operational plan that describes the proposed work and programme of the Auditor General for the financial year; and a detailed budget in support of the annual plan for presentation to the Parliament. This implies that the financing of the OAG is subject to the budget process, which often comes with budget ceilings that could impose constraints limiting the expansion of capacity, and/or with a prescribed salary scales that prevent the OAG from attracting persons with skills and experience. The SAI executes but does not approve its own budget.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer:

d. The budget of the SAI is determined by the executive, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate.

Researcher Response

I maintain the original score, as I have learned that the SAI submits its budget requirements to the Ministry of Finance and typically receives the requested allocation, unless there is a national budget shortfall requiring reprioritization, which is also discussed with the SAI.

IBP Comment

IBP thanks the researcher for the additional response and clarification. After a second review of the available evidence, including the legal framework and additional public statements by Auditor General Mathabo Makenete in 2024, the response has been revised from "b" to "d." While the Audit Act provides for the Auditor-General to prepare and submit an operational plan and detailed budget, the evidence indicates that the executive ultimately determines the funding level. In addition, there is strong evidence that the funding provided is insufficient for the SAI to fulfill its mandate. In 2024, public statements by the Auditor General noted that despite preparing a strategic operational plan and budget requested by the Ministry of Finance, "we just got the same allocation we have been receiving for the last three years." The Auditor General further stated that "we are only at about 15 to 17 percent of the coverage that we are supposed to audit," (<https://lestimes.com/?p=84154>), directly linking limited funding to insufficient audit coverage. She also stated that "a lot can be done by such institutions when enough funds are allocated and a ceiling is not put above them" (<https://www.lena.gov.ls/oversight-institutions-cry-foul-of-lack-of-independence/>), noting that audit coverage could increase if the Office had greater independence and resources. Therefore, the evidence supports that the executive determines the SAI's budget and that the funding level is not broadly consistent with the resources needed to fulfill its mandate. The response has therefore been revised to "d," and the additional news source has been added.

122. Does the Supreme Audit Institution (SAI) have the discretion in law to undertake those audits it may wish to?

GUIDELINES:

Question 122 explores the scope of the investigative powers of the Supreme Audit Institution (SAI) as prescribed in law.

Question 97 asks which of the three types of audits – financial, compliance, and performance – the SAI conducts. This question asks if the SAI is constrained by law (rather than by a lack of capacity or an inadequate budget) from undertaking any form of audit or investigating irregularities in any program or activity.

There are numerous examples of limitations. For instance, some SAIs are not permitted by their legal mandate to audit joint ventures or other public-private arrangements. Others are only allowed to undertake financial audits, precluded from conducting performance or value-for-money audits. The SAIs in some countries do not have the legal mandate to review arrangements involving oil or stabilization funds, or other types of special or extra-budgetary funds. The SAI may also not have the ability to audit commercial projects involving the public and private sector.

To answer "a," the SAI must have full discretion in law to decide which audits to undertake. Answer "b" applies if some limitations exist, but the SAI enjoys significant discretion to undertake those audits it wishes to. Answer "c" applies if the SAI has some discretion, but significant legal limitations exist. Answer "d" applies if the SAI has no power at all to choose which audits to undertake

Consulting the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>) may be useful in answering this question as its provisions serve to define the appropriate scope of a SAI's legal mandate and jurisdiction.

Answer:

a. The SAI has full discretion to decide which audits it wishes to undertake.

Source:

<https://lesotholii.org/akn/ls/act/2016/6/eng@2016-09-16/source.pdf>

Comment:

Page 3 of "Audit Act, 2016 Act 6 of 2016" Power to inspect financial institutions"

(1) Subject to rules of strict confidentiality and secrecy between a financial institution and its clients, the Auditor-General or his staff may examine or audit a financial institution account of a person in any financial institution if he has reason to believe that the money which belongs to a public body has been fraudulently or wrongfully paid into the account of the person.

(2) The Auditor-General requires a warrant or court order in exercising his functions under subsection (1).

(3) A financial institution officer shall produce any document or provide requested information relating to the accounts in the custody of the financial institution or control after having been presented with a warrant or order of court.

(4) The financial institution officer shall make copies of any document so produced.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. The SAI has significant discretion, but faces some limitations.

Researcher Response

MAINTAIN THE ORIGINAL SCORE

IBP Comment

IBP thanks the government reviewer for their response. Based on Section 117(3) of the Constitution, the Auditor-General and authorized officers are granted access to all books, records, reports, and other documents related to public accounts, as well as all government property and financial records. This is further supported by the PFMA Act and the Audit Act, which provide the SAI with broad authority to undertake audits and access information necessary to fulfill its mandate. IBP notes that, in practice, delays occur in the submission of financial statements and records by audited entities, including delays by the Accountant General in submitting consolidated financial statements required for the preparation of the Audit Report. However, these implementation and timeliness challenges do not constitute legal restrictions on the SAI's authority to determine and undertake audits. As this question assesses the legal discretion of the SAI rather than operational challenges in practice, the evidence supports that the SAI has full discretion in law to decide which audits it wishes to undertake. Therefore, the "a" response is maintained.

123. Are the audit processes of the Supreme Audit Institution (SAI) reviewed by an independent agency?

GUIDELINES:

Question 123 assesses whether and to what extent the audit processes of the Supreme Audit Institution (SAI) are subject to review by an independent agency. The latter could be a peer SAI, an international organization, an academic institution with relevant expertise, or an independent domestic agency with quality assurance functions in the area of financial reporting.

To answer "a," an independent agency must conduct and publish a review of the audit processes of the SAI on an annual basis. Answer "b" applies if a review was carried out within the past five years, and published, but it is not conducted annually, but. Choose answer "c" if the SAI has an internal unit that reviews the audit processes of the SAI on a regular basis, but an independent agency does not conduct such a review. Answer "d" applies if the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.

If the answer is either "a" or "b," please specify the name of the independent agency and when last it conducted such a review, and provide a copy of the published report. If the answer is "c," please specify the name of the unit within the SAI that is tasked with conducting such reviews.

Answer:

c. No, but a unit within the SAI conducts a review of the audit processes of the SAI on a regular basis.

Source:

<https://newsdayonline.co.ls/office-of-auditor-general-under-review/>

Comment:

In August 2022, the African Organisation of Supreme Audit Institutions – English-speaking (AFROSAI-E) conducted a quality assurance review of Lesotho’s Office of the Auditor-General (OAG). The review assessed:

Compliance with International Standards of Supreme Audit Institutions (ISSAIs)

Audit methodology

Stakeholder engagement

Institutional capacity

The review team included experts from SAI-Zimbabwe, SAI-Ghana, SAI-South Africa, and the AFROSAI-E Secretariat, led by Laiza Chikowore. The previous review was conducted in 2017, confirming that these reviews are not annual, but occur periodically

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer:

d. No, the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.

Researcher Response

AGREE TO A REVISED SCORE

IBP Comment

IBP thanks the researcher and the government for their review. The evidence indicates that the Office of the Auditor-General underwent an external quality assurance review conducted by AFROSAI-E in 2022, following a previous review in 2017. The review assessed compliance with ISSAIs, audit methodologies, stakeholder engagement, and institutional capacity. However, while there is evidence that an external review took place, there is no publicly available published review report. Under OBS methodology, a “b” response requires that the review conducted by the independent agency be published. At the same time, the existence of quality assurance reviews supports the conclusion that the SAI’s audit processes are subject to ongoing review mechanisms. Therefore, for cross-country consistency, the response has been revised from “b” to “c.”

124. In the past 12 months, how frequently did the head or a senior staff member of the Supreme Audit Institution (SAI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:

Question 124 concerns the interaction between two important oversight actors and assesses how frequently the Supreme Audit Institution (SAI) made high-level inputs to the work of legislative committees. Many SAIs interact with the legislature in some form, but the nature and intensity of the interaction varies. This question probes this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the SAI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the SAI representative in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). You can refer to official records of legislative committees, websites and annual reports of the SAI, press releases and media coverage, for example. Choose answer “a” if this occurred five times or more; “b” for three times or more, but less than five times; “c” for once or twice, and “d” for never.

Answer:

a. Frequently (i.e., five times or more).

Source:

<https://www.youtube.com/watch?v=DfPDKhCpxT8>

<https://www.youtube.com/watch?v=cmwTcCs20Yc>

<https://lestimes.com/pac-to-resume-investigations-into-corruption-at-lec/>

Comment:

In the past 12 months, the Auditor-General of Lesotho or senior staff from the Office of the Auditor-General (OAG) have frequently participated and testified in hearings of the Public Accounts Committee (PAC) of the National Assembly:

The PAC has been actively investigating high-profile cases, including financial irregularities at the Lesotho Electricity Company (LEC)

PAC hearing on Central Bank of Lesotho – July 2024

PAC hearing on Ministry of Natural Resources (Mothae Mine) – mid-2024

PAC hearing on Government Assets Recovery Task Team (GASERTT) – September 2024

PAC hearing on Lesotho Electricity Company (LEC) – initiated in 2024

PAC hearing on LNDC audit irregularities – 2024 session referencing OAG staff

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

125. Does the executive use participation mechanisms through which the public can provide input during the formulation of the annual budget (prior to the budget being tabled in parliament)?

GUIDELINES:

This question reflects the GIFT principles on “Inclusiveness” and “Timeliness” and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of “involvement” (option “a” in the responses) and “consultation” (option “b”). See:

https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms (“the executive”) is currently using to allow the public to participate in the formulation of the annual budget, including annual pre-budget discussions. Participation mechanisms used exclusively by line ministries should not be considered when answering this question.

If there is clear evidence that subnational engagements influence the national budget, these may be included. For instance, some countries have established local or regional councils that engage citizens in budget discussions, and if there is documented evidence that feedback from these consultations is reflected in the National Budget, they can be considered. For example, in the Dominican Republic, Provincial Development Councils facilitate citizen engagement in budget discussions. The executive’s budget documents, such as Annex I, include a chapter on citizen participation that details the efforts made in preparation of the 2023 budget to enhance public participation in fiscal policy (<https://www.digepres.gob.do/wp-content/uploads/2023/03/8.-Participaci%C3%B3n-Ciudadana-en-la-Formulaci%C3%B3n-del-PGE-20231.pdf>).

If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government’s efforts to incorporate citizens’ input into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as spending and tax policy, funding and revenue levels, and macro-fiscal planning.

To answer “a,” the executive must use open participation mechanisms that involve the public in the formulation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government officials. Examples include public meetings and online deliberative exchanges.

*Answer “b” applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include surveys, focus groups, published policy consultation exercises, and online consultation platforms that government officials **actively manage** to solicit inputs.*

Answer “c” applies if the executive has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or

partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

a. Yes, the executive uses open participation mechanisms through which members of the public and government officials exchange views on the budget.

Source:

Budget Call Circular 2024-25:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Budget%20Call%20Circular%20-638683238718193988.pdf>

PREPARATION OF 2024/25 PRE-BUDGET

CONSULTATIONS WITH CITIZENS AT DISTRICT LEVEL:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Pre-Budget%20Consultations%20Speech-BC-Districts-638678889684296569.pdf>

2024/2025 PRE -BUDGET CONSULTATIONS FORUM WITH CITIZENS

'Manthabiseng Convention Centre

Opening Remarks for the Honourable Minister of Finance and Development Planning :

https://www.budgetportal.gov.ls:7024/PDFDocuments/HMFDP%20Opening%20Remarks%20Pre-Budget%20Consultations%202024_-638678889524209533.pdf

2024/2025 PRE-BUDGET CONSULTATIONS FORUM - 2023 (Agenda) on August 25th:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Programme%20Agenda_2024_2025_Pre-Budget_Consultation_Aug%20_24_2023-638678889294724426.pdf

2024/2025 PRE-BUDGET CONSULTATIONS FORUM

Analysis of the Submissions from the Public:

<https://www.budgetportal.gov.ls:7024//Pre-Budget%20Consultations%20Forum%2025-08-2023-63867888945632028.pdf>

2024/2025 Pre-Budget Consultations Report:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-25%20District%20Post%20and%20Pre-Budget%20Consultations%20Report-638678888678860262.pdf>

Comment:

Structured Consultation Process

On page 18 of the 2024/25 Budget Call Circular, the Ministry of Finance and Development Planning explains that it conducted pre-budget consultations across all ten administrative districts as part of the preparation for the 2024/25 - 2026/27 Budget Strategy Paper. These consultations were designed to seek policy direction from grassroots communities and ensure that the budget process is transparent and inclusive of all stakeholders, including the general public.

Additional evidence of the district consultations is provided through the open remarks, program agenda, the consultations report, and the opening statement from the minister in preparation for the consultations.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the executive uses open participation mechanisms through which members of the public and government officials exchange views on the budget.

Researcher Response

AGREE TO A REVISED SCORE

IBP Comment

IBP thanks the government reviewer and the researcher for the additional clarification. Based on the evidence and further discussion with the researcher, IBP agrees that the district-level pre-budget consultations constitute an open participation mechanism through which members of the public and government officials exchange views on budget priorities and policy direction. The consultations were conducted across all ten administrative districts as part of the preparation of the 2024/25–2026/27 Budget Strategy Paper and were explicitly intended to ensure that the budget process was transparent and inclusive of all stakeholders, including grassroots communities and the general public. Supporting documentation, including the consultation agenda, ministerial opening remarks, consultation reports, and analysis of public submissions, demonstrates that the process involved structured dialogue and engagement between government officials and citizens. Furthermore, the addition of receiving written submissions as well as the consultations indicates additional steps taken to receive input from the broader public. Therefore, the response has been revised from “b” to “a.”

125b. Based on the response to question 125, select the option that best describes the public engagement mechanism used by the executive to involve citizens during the budget formulation stage.

GUIDELINES:

- *Pre-Budget Consultations*
 - *Organized meetings, workshops, or forums where citizens, civil society, and experts provide input before the budget is finalized or formatted.*
 - *Helps identify public priorities and address concerns before decisions are made.*
- *Participatory Budgeting*
 - *A direct mechanism where citizens help decide how a portion of public funds is allocated.*
 - *Typically implemented at the local level but sometimes linked to national budget planning.*
- *Regional or Development Councils*
 - *Local or regional advisory councils provide structured citizen engagement and ensure national budget decisions reflect local needs and vice versa. They are often made up of both government and civil society representation.*
 - *Feedback from these councils is usually integrated into the final budget*
- *Citizens' Assemblies*
 - *Randomly selected representative groups of citizens discuss and provide recommendations on budget priorities.*
 - *Assemblies deliberate on key fiscal policies, ensuring diverse perspectives are considered in decision-making.*
 - *Their recommendations may directly influence government budget proposals.*
- *Public Consultations*
 - *Open forums where government officials present the budget and receive feedback from the public.*
 - *Often organized in collaboration with parliaments, civil society, or media outlets.*
- *Online Platforms and Digital Consultations*
 - *Governments use dedicated websites and digital platforms to gather public input.*
 - *Interactive tools, such as surveys, discussion forums, and live Q&A sessions, make engagement more accessible.*

Please use the comments to explain your selection or to explain why you chose an alternative option that better fits the mechanism.

Answer:

Pre-Budget Consultations

Source:

Budget Call Circular 2024-25:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Budget%20Call%20Circular%20-638683238718193988.pdf>

Comment:

These consultations are:

Structured and recurring, not ad-hoc.

Open to the public, including civil society organizations (CSOs), development partners, and other stakeholders.

Designed to gather input before the budget is finalized, helping to shape priorities and align with the National Strategic Development Plan (NSDP II).

Conducted through forums, written submissions, and district-level engagements.

Citizens are actively involved in the budget process through annual public consultations held across ten districts, with pre-budget consultation reports made accessible to the public.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

126. With regard to the mechanism identified in question 125, does the executive take concrete steps to include vulnerable and under-represented parts of the population in the formulation of the annual budget?

GUIDELINES:

This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on the executive's efforts to seek out the views of members of the public from socially vulnerable groups and/or who are underrepresented in the process.

To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives of vulnerable/underrepresented groups.

Answer "b" applies if the executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

a. Yes, the executive takes concrete steps to include individuals and/or CSOs representing vulnerable and underrepresented parts of the population in the formulation of the annual budget.

Source:

Budget Call Circular 2024-25:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Budget%20Call%20Circular%20-638683238718193988.pdf>

2024/2025 Pre-Budget Consultations Report:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-25%20District%20Post%20and%20Pre-Budget%20Consultations%20Report-638678888678860262.pdf>

Comment:

On page 18 of the 2024/25 Budget Call Circular, the Ministry of Finance and Development Planning explains that it conducted pre-budget consultations across all ten administrative districts as part of the preparation for the 2024/25 - 2026/27 Budget Strategy Paper. These consultations were designed to seek policy direction from grassroots communities and ensure that the budget process is transparent and inclusive of all stakeholders, including the general public.

In practice, these district-level consultations do give more space—at least indirectly—for the government to obtain a broader range of perspectives from communities, and they do reference efforts to strengthen participation from underrepresented groups. Additionally, the government has established a District Youth Council in each of the ten districts, which serves as a coordinating structure for youth affairs at the local level and provides an important mechanism for engaging young people—particularly those in rural or marginalized areas—in the budget process, but still, more concrete steps can be done to include persons with disabilities, young women, etc.

Finally, the report on the 2024/2025 pre-budget consultations link has been included with evidence of some of the different groups that were present during these consultations.

Page 2-3:

Describes the composition of participants, including youth, students, media, NGOs, civil society, and local councils, showing broad inclusion.

Page 5:

UNICEF emphasizes the importance of children's participation and calls for their programs to be reflected in the budget.

Page 22:

Berea district calls for disability grants regardless of severity, and early pension access for excluded groups.

Pages 14–15:

Quthing district advocates for language inclusion (Sephuthi, Xhosa, Setebele) in public services, supporting cultural and linguistic minorities.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

127. During the budget formulation stage, which of the following key topics does the executive’s engagement with citizens cover?

For the purpose of this question, only these key topics are considered. Check the box(es) to identify which key topics the executive engages with citizens on:

GUIDELINES:

This question reflects the GIFT principles of “Transparency” and “Timeliness”. Please consider all of the mechanisms currently used by the executive to promote public participation during the formulation of the annual budget.

Please note that while the public engagement can/may cover other topics – and for this reason the other questions assessing the executive’s engagement with the public during budget formulation can be answered on the basis of engagement on topics other than the six listed above – for the purpose of answering this question, “key topics” are considered to be only the ones listed above. If the executive’s engagement with the public cover’s topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., “what issues is the public invited to engage on?”) and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer “None of the above” applies if the executive does not engage on any of the six key topics above or if the executive does not use public participation mechanisms during the budget formulation stage.

Select all that apply:

Answer:

Social spending policies
Public investment projects
Public services

Source:

2024/2025 Pre-Budget Consultations Report:
<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-25%20District%20Post%20and%20Pre-Budget%20Consultations%20Report-638678888678860262.pdf>

PREPARATION OF 2024/25 PRE-BUDGET

CONSULTATIONS WITH CITIZENS AT DISTRICT LEVEL:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Pre-Budget%20Consultations%20Speech-BC-Districts-638678889684296569.pdf>

CALL TO PARTICIPATE IN THE 2024/2025 PRE BUDGET-CONSULTATIONS:

<https://newsdayonline.co.ls/ministry-of-finance-call-to-participate/>

Comment:

Based on the recommendations emerging from the pre-budget consultations, the executive engaged citizens on several key priority areas during the formulation of the annual budget. These included discussions on social spending priorities—such as healthcare, water and sanitation, public safety, and community recreational facilities. The consultations also covered major public investment areas, including infrastructure upgrades, agricultural development, and tourism and conservation projects. In addition, the discussions addressed improvements to public services, particularly in health, sanitation, waste management, and local service delivery. These topics reflect core areas of public concern raised during district-level consultations

and align with the government's efforts to ensure that community perspectives inform sectoral priorities within the budget.

While a range of other issues were discussed (e.g., economic efficiency, youth engagement, and environmental management), the consultations most clearly addressed the three relevant OBS key topic areas: social spending policies, public investment projects, and public services.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

128. Does the executive use participation mechanisms through which the public can provide input in monitoring the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf.

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in monitoring the implementation of the annual budget. If the executive has designated a central coordinating agency to implement participation mechanisms throughout the national budget process, researchers may consider these mechanisms. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the implementation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenue administration, public service delivery, public investment project implementation, including procurement, and the administration of social transfer schemes.

To answer "a," the executive must use open participation mechanisms that involve the public in the implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings, online, deliberative exchanges, procurement complaint mechanisms, and social monitoring and dialogue.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input on the implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include public hearings, surveys, focus groups, report cards, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to provide input on budget implementation, but:

1) *The mechanisms are not structured, happen only on ad-hoc basis, or not regularly.*

and/or

2) *The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.*

In cases where there is discretion in who is allowed to participate, to select answer choice "c", the researcher must have evidence that the government is holding participation mechanisms that have some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples include hotlines, Facebook announcements, one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

2024/2025 Pre-Budget Consultations Report:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-25%20District%20Post%20and%20Pre-Budget%20Consultations%20Report-638678888678860262.pdf>

PREPARATION OF 2024/25 PRE-BUDGET

CONSULTATIONS WITH CITIZENS AT DISTRICT LEVEL:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Pre-Budget%20Consultations%20Speech-BC-Districts-638678889684296569.pdf>

Comment:

There is some evidence that discussions on the implementation of the budget may occur during the Pre-Budget Consultations; however, the format of these consultations shows that they are not structured as dedicated public mechanisms for monitoring implementation. They primarily focus on gathering views for the upcoming budget, and the discussion on implementation is limited and not systematically designed to collect inputs on performance issues. The ministry's call for feedback is also largely oriented toward formulation-related questions (e.g., priorities, sustainability, financing choices), rather than toward public monitoring of service delivery, execution problems, or evaluation of in-year outcomes.

While information about the consultations is made public, there is no evidence of formal processes for collecting submissions on implementation issues or of structured follow-up or reporting specific to the monitoring phase.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

129. With regard to the mechanism identified in question 128, does the executive take concrete steps to receive input from vulnerable and underrepresented parts of the population on the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on national government's efforts to obtain input from members of the public who are from socially vulnerable groups and/or underrepresented in national processes during the implementation of the annual budget.

To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives from vulnerable/underrepresented groups.

Answer "b" applies if the national executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

b. The requirements for an "a" response are not met.

Source:

2024/2025 Pre-Budget Consultations Report:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-25%20District%20Post%20and%20Pre-Budget%20Consultations%20Report-638678888678860262.pdf>

Comment:

There is no dedicated mechanism for the public to provide input on monitoring the implementation of the annual budget

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

130. During the implementation of the annual budget, which of the following topics does the executive's engagement with citizens cover?

For the purpose of this question, only these key topics are considered. Check the box(es) to identify which key topics the executive engages with citizens on:

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the implementation of the annual budget.

Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget implementation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be ONLY the ones listed above. If the executive's engagement with the public cover's topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "None of the above" applies if the executive does not engage on any of the six key topics above or if the executive does not use public participation mechanisms during the budget implementation stage.

Select all that apply:

Answer:

None of the above

Source:

2024/2025 Pre-Budget Consultations Report:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-25%20District%20Post%20and%20Pre-Budget%20Consultations%20Report-638678888678860262.pdf>

Comment:

There is no evidence of formal processes for citizens to engage during the implementation phase of the budget.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

131. When the executive engages with the public, does it provide comprehensive prior information on the process of the engagement, so that the public can participate in an informed manner?

Comprehensive information must include at least three of the following elements:

1. Purpose
2. Scope
3. Constraints
4. Intended outcomes
5. Process and timeline

GUIDELINES:

This question relates to the GIFT principle of "Openness," and addresses whether the executive provides relevant information on the process of the engagement before public participation takes place, in order to help citizens engage effectively. The question addresses whether the "rules of the public engagement" are clearly spelled out, in advance and in detail, so that those members of the public who want to engage know how to do so, in terms of when they can do so, what they are expected to provide input on, by when, to whom, etc. This question does not cover the substance of the engagement, which is covered by questions 127 and 130.

Non-comprehensive information means that the government provides information that includes at least one but less than three of the elements listed above.

Purpose refers to a brief explanation of why the public engagement is being undertaken, including the executive's objectives for its engagement with the public.

Scope refers to what is within the subject matter of the engagement as well as what is outside the subject matter of the engagement. For example, the scope may include how a current policy is administered but exclude the specifics of the policies themselves.

Constraints refers to whether there are any explicit limitations on the engagement. An example of a constraint could be that any policy changes must not cost (or forgo revenue) more than a specific amount or have no net fiscal cost.

Intended outcomes refers to what the executive hopes to achieve as a result of the engagement. Examples of intended outcomes could be revising a policy to better reflect citizen or service-user views or to improve the way in which a particular program is administered.

Process refers to the methods by which the public engagement will take place and the discrete steps in the process. For example, the process may simply be a one-off Internet-based consultation, with a summary published of public inputs and the official response. The process may involve simultaneous or overlapping steps, and may be conducted in one round or in two or more rounds of engagement.

Timeline refers to the specific dates on which the discrete steps in the process will take place, or during which they will be completed, and clear start and end dates for the overall engagement.

Answer "d" applies if the executive does not use public participation mechanisms during the budget implementation or formulation stage.

Answer:

c. Information is provided in a timely manner in both or one of the two phases, but it is not comprehensive.

Source:

PREPARATION OF 2024/25 PRE-BUDGET

CONSULTATIONS WITH CITIZENS AT DISTRICT LEVEL:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/Pre-Budget%20Consultations%20Speech-BC-Districts-638678889684296569.pdf>

2024/2025 PRE-BUDGET CONSULTATIONS FORUM - 2023 (Agenda) on August 25th:

https://www.budgetportal.gov.ls:7024/PDFDocuments/Programme%20Agenda_2024_2025_Pre-Budget_Consultation_Aug%20_24_2023-638678889294724426.pdf

2024/2025 Pre-Budget Consultations Report:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-25%20District%20Post%20and%20Pre-Budget%20Consultations%20Report-638678888678860262.pdf>

CALL TO PARTICIPATE IN THE 2024/2025 PRE BUDGET-CONSULTATIONS

<https://newsdayonline.co.ls/ministry-of-finance-call-to-participate/>

Comment:

The 2024–25 Pre-Budget Consultations Report indicates that the Ministry of Finance and Development Planning (MFDP) provided some elements of prior information during the budget formulation stage. The report outlines:

Purpose: to gather citizen input on budget priorities

Scope: citizens were invited to comment on district priorities, economic drivers, and service delivery issues.

Intended outcomes: to inform the Budget Strategy Paper and guide national policy direction, but unclear how recommendations will be used.

Process and timeline: consultations were held in all ten districts from 6 June to 3 July 2023.

However, it is unclear whether this information was actually made available before the consultations occurred. Most materials—such as the Pre-Budget Consultation Speech and the program agenda for the August 25th forum—were uploaded to the Budget Portal after the events had already taken place.

The only clearly identifiable advance notice relates to written submissions, posted on 7 July with a short window for responses (deadline: 20 July). For the district consultations themselves, there is no accessible evidence showing when or how citizens were informed, what channels were used, or what details were provided in advance.

Given the lack of publicly available prior information covering at least three required elements (purpose, scope, constraints, intended outcomes, process/timeline) before the engagements occurred, the appropriate score for this question is “c.”

There is also no evidence that similarly comprehensive prior information was provided ahead of public engagement during the other stages of the budget cycle.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

132. With regard to the mechanism identified in question 125, does the executive provide the public with feedback on how citizens' inputs have been used in the formulation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles of “Transparency” and “Sustainability”, and examines the extent to which the executive provides information to citizens on which public inputs were received, which ones are used in the formulation of the annual budget, and how/why.

By “written record”, we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer “a” applies when the executive provides a written document with:

- *The inputs (e.g., a written transcript) received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

Answer “b” applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public and*
- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used.*

Answer “c” applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer “d” applies if the requirements for a “c” response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

c. Yes, the executive provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

Source:

2024/2025 Pre-Budget Consultations Report:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-25%20District%20Post%20and%20Pre-Budget%20Consultations%20Report-638678888678860262.pdf>

2024/2025 PRE-BUDGET CONSULTATIONS FORUM

Analysis of the Submissions from the Public:

<https://www.budgetportal.gov.ls:7024//Pre-Budget%20Consultations%20Forum%2025-08-2023-638678888945632028.pdf>

Comment:

The 2024/25 Pre-Budget Consultations Report provides a written record of the inputs received from citizens during the consultation process. The report summarizes district-level priorities (e.g., roads and bridges, electricity expansion, agriculture, water and sanitation, and job creation) and discusses broader community concerns raised across the ten districts. This satisfies the requirement for documenting the inputs received.

However, the report does not provide an explanation of how these inputs were used in the formulation of the Executive's Budget Proposal. The recommendations and conclusions presented in the report are high-level policy observations—such as the need for district development plans, improved decentralization, and stronger monitoring and evaluation practices—rather than a description of how specific public inputs influenced budget decisions. There is no section linking individual inputs to decisions taken, nor any rationale for why certain inputs were incorporated or not incorporated into the final budget.

Because the government publishes a document that includes the inputs received, but does not include a report or summary explaining how those inputs were used, the appropriate score for this question is “c.”

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

133. With regard to the mechanism identified in question 128, does the executive provide the public with information on how citizens' inputs have been used to assist in monitoring the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles of “Transparency” and “Sustainability”, and examines the extent to which the executive provides information to citizens on which public inputs were received during the implementation of the annual budget, which ones are taken into account to improve budget monitoring, and how/why.

By “written record”, we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer “a” applies when the executive provides a written document with:

- *The inputs (e.g., a written transcript) received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

Answer “b” applies when the executive provides a written document that includes:

- *The inputs received (e.g., a written transcript) from the public and*
- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were or were not taken into account by the executive during budget monitoring.*

Answer “c” applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public or*

- A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

2024/2025 Pre-Budget Consultations Report:
<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-25%20District%20Post%20and%20Pre-Budget%20Consultations%20Report-638678888678860262.pdf>

Comment:

There is no evidence of formal processes for collecting submissions on implementation issues or of structured follow-up or reporting specific to the monitoring phase.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

134. Are participation mechanisms incorporated into the timetable for formulating the Executive's Budget Proposal?

GUIDELINES:

This question reflects the GIFT principles on "Sustainability," "Timeliness" and "Complementarity" and addresses whether the executive is able to link participation mechanisms to the administrative processes that are used to create the annual budget.

Please note that "timetable" refers to a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. This document is sometimes referred to as the budget calendar and is the same document referenced in Question 53.

Answer "a" applies if the national executive establishes a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget. For answer choice "a", the timetable must be available to the public prior to the budget preparation process beginning.

Answer "b" applies if the executive does not establish a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget or if the executive does not use public participation mechanisms during the budget formulation or implementation stage.

Answer:

b. The requirements for an "a" response are not met.

Source:

Budget Call Circular 2024-25:
<https://www.budgetportal.gov.ls:7024/PDFDocuments/2024-2025%20Budget%20Call%20Circular%20-638683238718193988.pdf>

Comment:

In the Budget Calendar, there is no information on when public participation initiatives will take place.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

135. Do one or more line ministries use participation mechanisms through which the public can provide input during the formulation or implementation of the annual budget?

GUIDELINES

While questions 125 – 134 focus only on participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency currently use to allow the public to participate in the national budget process, this question asks about participation mechanisms used by line ministries to allow the public to participate in national budget processes. Thus, participation mechanisms used by the Ministry of Finance, lead budget agency, or central coordinating agency should not be used to answer this question. If there is more than one mechanism used by a line ministry or if multiple line ministries use participation mechanisms, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation and/or implementation of the annual budget.

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf

To answer "a," a line ministry must use open participation mechanisms that involve the public in the formulation or implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings and online deliberative exchanges.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation or implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which a line ministry seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if a line ministry has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) A line ministry consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the line ministry determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

The researcher must present evidence to support selection of a "c" response.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

Answer:

c. Yes, at least one line ministry uses participation mechanisms during the budget formulation or implementation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).

Source:

Youth Strategic Plan Workshop (31 July–2 August 2024)
Ministry of Gender, Youth and Social Development Facebook Post (1 Aug 2024):
<https://www.facebook.com/share/p/1BwZhpSTqj/>

Children’s Parliament Simulation (19 July 2024)

MGYSD Facebook Post: <https://www.facebook.com/share/p/1BkSvErHFg/>

UNICEF Lesotho press release: <https://www.unicef.org/lesotho/press-releases/empowering-young-voices-national-childrens-parliament-address-key-issues-education>

World Vision Lesotho article: <https://www.wvi.org/newsroom/lesotho/empowering-young-voices-national-childrens-parliament-address-key-issues-education>

LENA news story: <https://www.lena.gov.ls/childrens-parliament-calls-for-improvement-of-education-in-remote-areas/>

Comment:

There is evidence that at least one line ministry uses participation mechanisms that allow the public—particularly youth and children—to share views that may indirectly inform budget-relevant decisions.

For example, the Ministry of Gender, Youth and Social Development (MGYSD) hosted a Youth Strategic Plan workshop (31 July–2 August 2024), where selected youth representatives contributed views on national youth priorities. MGYSD also supported the National Children’s Parliament Simulation (19 July 2024), which allowed young participants to raise concerns directly to government officials, including ministers and senior policymakers.

These initiatives reflect a growing commitment to inclusive dialogue and demonstrate the ministries’ willingness to listen to perspectives from communities that are often underrepresented in public decision-making. This is a positive and important development.

For the purposes of the OBS assessment, however, these mechanisms are considered ad hoc and selective (participants are invited rather than participation being openly accessible). Additionally, while the discussions touch on issues relevant to public services and development priorities, they are not directly framed as formal mechanisms for participation in the formulation or implementation of the annual national budget. Because of this, the appropriate score for this question is “c”—recognizing that participation does occur, but that it is not yet structured as a regular, open budget participation mechanism.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

136. Does the legislature or the relevant legislative committee(s) hold public hearings through which the public can provide input during its public deliberations on the formulation of the annual budget (pre-budget and/or approval stages)?

GUIDELINES:

This question reflects the GIFT principle on “Sustainability,” “Transparency,” and “Complementarity” and assesses the extent to which the participation mechanism(s) used by the legislative are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) has put in place and is using to allow the public to participate in their deliberations on the annual budget. This includes deliberations during the pre-budget phase (i.e., when the executive is still in the process of formulating the draft budget) and the budget discussions after the budget has been tabled to parliament and before it is approved. In the comment box, please specify during which stage of the budget cycle the legislature has put in place a public participation mechanism.

Mechanisms through which members of the public reach out to individual Members of Parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

If there is more than one mechanism, please select a mechanism that best shows/reflects the legislature’s efforts to incorporate citizens into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenues, policy selection, and macro-fiscal planning

(please note that the issue of coverage is covered in a subsequent question).

To answer "a," the legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer "b" should be selected if the following applies:

- The legislature holds public hearings on the budget;
- Testimony is not allowed from members of the public or CSOs; but
- There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.

Answer "c" should be selected if the following applies:

- The legislature holds public hearings on the budget;
- Testimony is not allowed from members of the public or CSOs;
- No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, but
- The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere).

** Answer "c" still applies if the legislature holds hearings on the budget that are open for citizens to attend in person, but at which no public input is received (public online hearings without active citizen participation do not count for the purposes of a "c" response). However, in this case questions Q137-138 should then be marked as "d." unless select individuals or groups were invited to provide input.

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.

Answer:

c. Yes, public hearings on the budget are held. No testimony from the public is provided during the public hearings, and there are no other mechanisms through which public contributions are received, but the legislature may invite specific individuals or groups to testify or provide input (participation is not, in practice, open to everyone).

Source:

Parliamentary Hearings & Committee Processes:

- Public visitors attending budget presentation:

<https://nationalassembly.parliament.ls/wp-content/uploads/2024/03/21st-Wednesday.pdf>

-CSOs acknowledged during tabling of budget reports (March 8, 2024):

<https://nationalassembly.parliament.ls/wp-content/uploads/2024/03/8th-Friday.pdf>

-Photo evidence of committee hearings open to the public (Feb 26–March 1, 2024):

<https://www.facebook.com/photo/?fbid=381058938017840&set=pcb.381059664684434>

-Budget discussion open to the public – NAC hearings:

<https://www.facebook.com/photo?fbid=378836741573393&set=pcb.378836768240057>

-Committee hearings after MoF presentation (public posts):

<https://www.facebook.com/photo/?fbid=389076740549393&set=a.173128778810858>

Broader Public Engagement by Committees:

Parliament–CSO engagement on governance, climate change, corruption, youth, PFM, etc. (October 2024):

<https://www.facebook.com/photo/?fbid=534520652671667&set=pcb.534527469337652>

Legal Framework / Standing Orders:

Standing Orders, Section 76(b) and Section 68(3):

<https://nationalassembly.parliament.ls/wp-content/uploads/2022/11/Standing-Order-2022-L.N.-No.-114-of-2022.pdf>

Comment:

There is limited public evidence that the Lesotho Parliament or its Finance Committee holds public hearings on the national budget where citizens or CSOs can testify. However:

The hearings are open to the public, but testimony is not generally allowed. (The transcript from the tabling of the budget estimates report (March 8, 2024) explicitly thanks civil society organizations for being present.)

In some cases, specific individuals or groups (e.g., development partners or sector experts) are invited to provide input, but this is not open to all citizens nor is there evidence of this taking place.

Standing Orders also support openness: Section 76(b) states that the National Assembly and its committees shall facilitate public participation by conducting public hearings "as and when necessary," and Section 68(3) authorizes committees to invite contributions from experts, stakeholders, or the public on the budget estimates. Public hearings are open except in cases involving national security or other sensitive matters.

Outside the budget cycle, committees also convene public engagements on broader governance topics such as climate change, corruption, youth employment, PFM reforms, gender-based violence, digital transformation, and regional integration (October 2024 engagement). However, while these initiatives expand opportunities for citizens to interact with Parliament, they are not specifically tied to the annual budget formulation or approval process.

Based on available evidence, the legislature does hold open public hearings on the budget, but there is no indication that the public or CSOs formally testify. There is also no evidence of alternative nondiscretionary mechanisms (e.g., written submissions) for collecting public input during budget deliberations. Therefore, a "c" score is appropriate.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

137. During the legislative deliberations on the annual budget (pre-budget or approval stages), which of the following key topics does the legislature's (or relevant legislative budget committee) engagement with citizens cover?

For the purpose of this question, only these key topics are considered. Check the box(es) to identify which key topics the legislature engages with citizens on:

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider the range of mechanisms currently used by the legislature to promote public participation during legislative deliberations on the annual budget.

Please note that while the public engagement can/may cover other topics, for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the legislature's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "None of the above" applies if in q136 the requirements for a "c" response or above are not met or if the legislature holds public hearing, but does not use public participation mechanisms during its deliberations on the annual budget (e.g. inviting citizens/CSOs to testify).

Select all that apply:

Answer:

None of the above

Source:

Standing Orders, Section 76(b) and Section 68(3):

<https://nationalassembly.parliament.ls/wp-content/uploads/2022/11/Standing-Order-2022-L.N.-No.-114-of-2022.pdf>

Public visitors attending budget presentation:

<https://nationalassembly.parliament.ls/wp-content/uploads/2024/03/21st-Wednesday.pdf>

CSOs acknowledged during tabling of budget reports (March 8, 2024):

<https://nationalassembly.parliament.ls/wp-content/uploads/2024/03/8th-Friday.pdf>

Comment:

Based on available evidence, the legislature does hold open public hearings on the budget, but there is no indication that the public or CSOs formally testify. There is also no evidence of alternative nondiscretionary mechanisms (e.g., written submissions) for collecting public input during budget deliberations. Therefore, "none of the above" is selected since the public does not engage with parliament on any of the topics listed.

Peer Reviewer
Opinion:

Government Reviewer
Opinion: Agree

138. Does the legislature provide feedback to the public on how citizens' inputs have been used during legislative deliberations on the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability" and examines the extent to which the legislature provides information to citizens on which public inputs were received and how inputs were used during legislative deliberations (please note that these deliberations can refer to the pre-budget and approval phases). By "written record" in this question, we mean a document that is produced and released by the legislature.

Answer "a" applies when the legislature provides a written document with:

- *The inputs received from the public (e.g., a written transcript) and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).*

Answer "b" applies when the legislature provides a written document that includes:

- *The inputs received from the public (e.g., a written transcript) and*
- *A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used in legislative deliberations on the annual budget (please note that these deliberations refer to the pre-budget and approval phases).*

Answer "c" applies when the legislature makes available a video recording of the relevant legislative session or provides a written document that includes:

- *The inputs received from the public (e.g., a written transcript) or*
- *A report (be it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

N/A

Comment:

Since citizens are only allowed to attend the hearings and there is no evidence of them testifying or any written submissions a "d" is selected.

Peer Reviewer
Opinion:

Government Reviewer
Opinion: Agree

139. Does the legislature hold public hearings and/or use other participation mechanisms through which the public can provide input during its public

deliberations on the Audit Report?

GUIDELINES:

This question reflects the GIFT principle on “Sustainability,” “Transparency,” and “Complementarity” and assesses the extent to which the participation mechanism(s) used by the legislative are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

A key constitutional role of the legislature in almost all countries is to oversee the government’s management of public resources. While the Supreme Audit Institution is responsible for checking the government’s accounts and publishing the outcome of their audits, for accountability purposes it is essential that the legislature reviews and scrutinizes those reports, and checks on whether the executive is taking the appropriate corrective actions based on the Supreme Audit Institution’s recommendations.

Holding public hearings to review audit findings allows the public to learn more about how the government has managed its resources for the budget years that have ended, and demand accountability in case of mismanagement and irregularities. Reviewing and discussing those reports in public is therefore a key responsibility of a legislature.

Please note that by “Audit Report” we refer to the same audit report assessed in the transparency section of this Survey, i.e., one of the eight key budget documents that all governments (in this case, the Supreme Audit Institution) must produce, according to best practice.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) have put in place and using to allow the public to participate in their deliberations on the Audit Report.

Mechanisms through which members of the public reach out to individual members of parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

To answer “a,” the national legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer “b” should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public; BUT*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.*

Answer “c” should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public;*
- *No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, BUT*
- *The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)*

Answer “d” applies if the requirements for a “c” response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the Audit Report.

Answer:

d. The requirements for a “c” response or above are not met.

Source:

The Standing Orders that show the PAC hearing on the Audit Report is open to the public: <https://www.facebook.com/photo/?fbid=473388158784917&set=pcb.473388205451579>

https://nationalassembly.parliament.ls/category/committe_reports/

Comment:

The Public Accounts Committee (PAC) holds hearings on audit reports, and these hearings are open to the public except in strictly limited circumstances involving national security or similarly sensitive matters. While the hearings are open, the PAC typically invites specific individuals or groups to provide input—such as representatives from the Office of the Auditor-General to explain key findings, and representatives from audited entities to offer clarifications and present action plans. Third parties may also be invited to participate when relevant.

However, although the hearings are open, there is no evidence that members of the general public or civil society organizations are able to formally

testify or provide input on a nondiscretionary basis. Participation appears to depend on invitation rather than being available to all citizens or CSOs. Additionally, there are no alternative mechanisms for the legislature to collect public contributions during deliberations on audit findings.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer:

d. The requirements for a "c" response or above are not met.

Researcher Response

MAINTAIN A 'C' SCORE

IBP Comment

After conducting a consistency check, IBP has revised the original response from "c" to "d." While the Public Accounts Committee (PAC) hearings on the Audit Report are open to the public, the available evidence does not demonstrate that members of the public or CSOs are able to provide input during these hearings. As noted by the researcher, participation appears limited to invited officials and, in some cases, specific experts or expert witnesses where deemed necessary. However, there is no evidence that citizens or CSOs are invited to testify in practice, nor are there alternative mechanisms through which the legislature systematically receives public input on the Audit Report. IBP also notes that this is consistent with the assessment in the previous OBS round (2023), where similar practices resulted in a "d" response. Therefore, the requirements for a "c" response or above are not met, and the response has been revised to "d."

140. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can suggest issues/topics to include in the SAI's audit program (for example, by bringing ideas on agencies, programs, or projects that could be audited)?

GUIDELINES:

This question assesses whether the Supreme Audit Institution (SAI) has established mechanisms through which the public can provide suggestions on issues/topics to be included in its audit program. When deciding its audit agenda, the SAI may undertake audits for a sample of agencies, projects, and programs in the country; and such a selection could be based on complaints and suggestions made by members of the public. To receive such suggestions, the SAI may create formal mechanisms, like setting up a website, hotline, or office (or assigning staff to liaise with the public).

Please note that formal mechanisms that do not explicitly seek the public's input in the audit program (such as general comment submission boxes on the SAI's website) should not be considered for this question.

Answer:

b. The requirements for an "a" response are not met.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/REPORT%20OF%20THE%20AUDITOR%20GENERAL%20MARCH%202022-638932738023974416.pdf>

Comment:

The report outlines the mandate, scope, and methodology of the OAG, including financial, compliance, and performance audits. It emphasizes the OAG's independence, access to government records, and adherence to international standards (ISSAI).

However, there is no mention of:

A public-facing platform (e.g., website form, hotline, or office) for submitting audit topic suggestions.

Any structured process for collecting or considering public input in the development of the audit plan.

Engagements or consultations with citizens or civil society organizations (CSOs) for audit topic selection.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

141. Does the Supreme Audit Institution (SAI) provide the public with feedback on how citizens' inputs have been used to determine its audit program?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the Supreme Audit Institution provides information to citizens on which public inputs were received, which ones are used to determine the Supreme Audit Institution's audit program. By "written record" in this question, we mean a document that is produced and released by the Supreme Audit Institution.

Answer "a" applies when the Supreme Audit Institution provides a written document with:

- *The inputs received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).*

Answer "b" applies when the SAI provides a written document that includes:

- *The inputs received from the public and*
- *A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used to determine the SAI's annual audit program.*

Answer "c" applies when the SAI provides a written document that includes:

- *The received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if requirements for a "c" response or above are not met or if maintain formal mechanisms through which the public can suggests issues/topics to include in the SAI's audit program.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

There is no formal mechanisms through which the public can suggest audit topics to the Supreme Audit Institution (SAI).

There is no written record provided that includes:

A list of public inputs received.

A detailed or summary report on how those inputs were used to determine the audit program.

The audit planning and execution appear to be based on internal assessments, statutory obligations, and financial risk evaluations—not on public input.

The audit report itself does include extensive findings and recommendations, but these are based on audits conducted by the SAI itself, not on citizen-suggested topics.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

142. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can contribute to audit investigations (as respondents, witnesses, etc.)?

GUIDELINES:

This question mirrors question 140, but instead of covering public assistance in formulating the SAI's audit program, it focuses on whether the Supreme Audit Institution has established mechanisms through which the public can participate in audit investigations. In addition to seeking public input to determine its audit agenda, the SAI may wish to provide formal opportunities for the public and civil society organizations to participate in the actual audit investigations, as witnesses or respondents.

Answer:

b. The requirements for an "a" response are not met.

Source:

<https://www.budgetportal.gov.ls:7024/PDFDocuments/REPORT%20OF%20THE%20AUDITOR%20GENERAL%20MARCH%202022-638932738023974416.pdf>

Comment:

There is no evidence that the Office of the Auditor-General (OAG) maintains formal mechanisms through which the public can contribute to audit investigations as respondents, witnesses, or informants.

While the audit report discusses various types of audits (financial, compliance, and performance), including detailed findings and recommendations, it does not mention any structured process for involving citizens or civil society organizations in the investigative phase of audits.

There is no reference to public hearings, interviews, or feedback systems that would allow citizens to participate in or respond to audit inquiries.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree