

**DEMOCRACY  
WORKS**  
FOUNDATION.  
LESOTHO

PUTTING YOUTH AND WOMEN AT  
THE CENTRE OF INCLUSIVE  
ECONOMIC GROWTH.



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FINANCIAL SERVICES  
VOLUNTEER CORPS



**MASERU, BUTHA  
BUTHE AND LERIBE**

**TRAINING WORKSHOP FOR LOCAL GOVERNMENT CSOs  
AND SMMES ON PROCUREMENT AND BENEFICIAL  
OWNERSHIP IN MASERU, BUTHA BUTHE AND LERIBE**

[www.democracyworksfoundation.org](http://www.democracyworksfoundation.org)

PRESENTED BY:  
DEMOCRACY WORKS FOUNDATION

## INTRODUCTION

Democracy Works Foundation (DWF), under the Putting Youth and Women at the Centre of Inclusive Economic Growth (PYWEIG) framework in collaboration with the Financial Services Volunteer Corp (FSVC) under Strengthening Anti-Corruption Efforts and Procedures in Southern Africa, are implementing capacity building interventions aimed at strengthening inclusive, transparent, corrupt-free, responsive, good governance and policy-processes around socio-economic development, employability and policy development. Within this framework, DWF and FSVC have organised a training workshop on "Procurement and beneficial ownership" to enhance the capacity of the Local Government Actors, as well as CSOs and SMMEs. The workshop contributes to enhancing participatory and good governance around promoting transparency around procurement and beneficial ownership. The intervention strategically aligns with the Consortium's overall objectives in strengthening the capacities of the Civil Society Organizations (CSOs) and government actors or Representatives in championing efforts in combating corruption and building enterprise development infrastructure responsive to women and youth. The training workshop will run for the duration of 3 days in the three districts respectively in partnership with the Directorate on Corruption and Economic Offenses (DCEO) and Procurement Policy and Advisory Department (PPAD).

## BACKGROUND

Building on the training workshop that was held for the CSOs and SMMEs on identifying corruption and misconduct in procurement in the public sector, DWF and FSVC in partnership with Directorate on Corruption and Economic Offenses (DCEO) and Procurement Policy and Advisory Department (PPDA) will implement the training workshop on procurement and beneficial ownership for Local Government as well as CSOs. The new Public Procurement Act 2023 has now been passed in Lesotho, making the room for the creation of institutions necessary to ensure the procurement system's integrity is maintained and potential violations in the tender industry in Lesotho prohibited. Procurement was regulated and governed by the Public Procurement Regulations 2007, its 2018 Amendment and the Public Financial Management and Accountability Act, 2011. The Public Procurement Act, 2023 is meant to establish a public procurement authority, a body corporate, to regulate public procurement structures by providing procedures, processes and regulation of procurement of good, works and services in order to optimize efficiency in public procurement and obtain value for money for the government. The development attributed to the new procurement act combined the 2007 act with the 2018 amendment and 2011 act into one legislation. Due to the ensuing opaqueness of the previous acts with no authoritative institution.

Public procurement refers to the acquisition of goods and services by government in order to facilitate the efficient operationalisation of the state machinery. Public procurement however extends beyond transactions to acquire commodities to the relationship between the state and its suppliers and between the state commodity transaction. Corruption which is critical in public procurement policy because of the huge quantities of commodities often being transacted and the volume of money involved in the procurement process results sometimes with tax evasion and money laundering. This creates substantial opportunities for the public official with the propensity to be corrupt because of the high profitability attached to these large procurements.

## BACKGROUND

According to the director of the Directorate on Corruption and Economic Offenses (DCEO), public procurement in Lesotho is the most vulnerable area to corruption, and public procurement cases form 99% of corruption cases handled by the DCEO in 2016. Political agents in Lesotho often condemn corruption and reiterate a commitment to a corruption-free procurement process. However, overt corruption that permeates all sectors in the country contracts this narrative as more Government Representatives and politically exposed persons are associated and charged with corruption, money laundering and tax evasion. A beneficial owner is a natural person who ultimately owns or controls a legal entity, either directly or indirectly, politically exposed or not. Beneficial ownership transparency and procurement are interconnected when it comes to advancing efforts against corruption, particularly in the context of ensuring integrity and accountability in government transactions. According to the World Bank study, 70% of all grand corruption cases involve the use of anonymously owned companies. Insufficient transparency in beneficial ownership not only aids in the laundering of corruption proceeds but also severely impedes and erodes the economy. Pursuant to advancing good governance by employing anti-corruption strategies and procedures, DWF and FSVC in partnership with DCEO and PPAD will hold the training workshop for the Local Government Actors as well as CSO in Leribe, Butha-Buthe and Maseru to truly appreciate the new procurement act 2023 and intrinsically understand how the beneficial ownership information centrally governed and public available to the public can enhance participatory governance and prevent corruption.

**The training workshop will be held in Leribe on the 3rd to 5th June 2024, Butha-Buthe on the 6th to 8th June 2024 and in Maseru on the 10th to 12th June 2024.**

## GOALS AND OBJECTIVES

The three-day training workshop aims to train and strengthen the capacity of Local Government and CSOs in improving their knowledge on advancing anti-corruption through beneficial ownership transparency and the new legislation on the procurement that has been passed recently in parliament. Through the Public Procurement Advisory Department, the Local Government Actors' knowledge will be Enhanced on the new procurement Act 2023 with the establishment of the new institutions to be established to ensure the procurement system's integrity and potential violations in the tender industry in Lesotho is maintained. Building on the previously workshop, the training workshop will continue to strengthen and upskill the participants knowledge on anti-corruption efforts on beneficial ownership and its application in Lesotho and how it reinforces and promotes good governance.

The participants will have the better understanding of the nuts and bolts of procurement act, clean and transparent procurement, e-procurement and beneficial ownership transparency and beneficial ownership of the politically exposed individuals. The training will be participatory to create a learning environment and a culture of information sharing amongst the relevant stakeholders including government representatives. The workshop will also cover how poorly managed procurement and beneficial ownership impacts on responsive enterprise development and economy at large. The training is expected to cover approximately 120 participants in the three districts.

## ABOUT DWF

Democracy Works Foundation (DWF) is a Southern African non-profit company focused on democracy development in the region. We provide tools to build resilient democracies - democracies that are inclusive, equitable, sustainable and consensus-driven. As an independent foundation, that works on the supply and demand side of democracy, providing tools, platforms and content to strengthen democrats, democratic culture and democracy institutions.

DWF strengthens resilient democracies through 5 programmatic impact areas: monitoring democracy, strengthening institutions and systems, training democrats and leaders, strengthening democratic culture as well as working on climate change and governance. With headquarters in South Africa, we operate in the following countries in the Southern Africa region: Angola, Botswana, Eswatini, Lesotho, Malawi, South Africa, Tanzania and Zambia.

## ABOUT FSVC

The Mission of the Financial Services Volunteer Corps (FSVC) is to help build sound financial sectors to support healthy market-oriented economies in developing and emerging market countries.

FSVC's core work concentrate on strengthening central bank capacity, building robust commercial banking sectors, and developing capital markets.

Major additional areas of work include improving access to financial services for small and medium-sized enterprises (SMEs), financial inclusion, and combating money laundering and the financing of terrorism, and advising government and civil society organizations on how to strengthen public financial management.



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## TRAINING ON LOCAL GOVERNMENT ACTORS, CSOS AND SMMEs ON PROCUREMENT AND BENEFICIAL OWNERSHIP

LERIBE: 3rd to 5th June 2024

BUTHA-BUTHE: 6<sup>th</sup> to 8th June 2024

MASERU: 10th to 12th June 2024

Facilitator: DWF		
TIME	ACTIVITY	RESPONSIBLE
<b>DAY 1</b>		
08:30 - 09:00	Walk in & Registration	DWF
09:00 - 09:15	Welcome Remarks & Introductions	DWF
09:15 - 09:30	Introductory Remarks	DWF & FSVC
09:30 - 10:00	Pre-Evaluative Exercise on Procurement and Beneficial Ownership	DWF
10:00 - 10:30	Introduction of DCEO and PPAD - Mandate and Responsibility.	DCEO & PPAD
<b>HEALTH BREAK</b>		
11:00 - 11:30	Understanding Procurement and Beneficial Ownership in the context of Good Governance.	PPAD
12:30 - 13:30	Promoting clean and transparent procurement and beneficial ownership.	PPAD
<b>LUNCH</b>		
14:30 - 15:30	Identifying Corruption and fostering transparency and accountability in procurement processes and beneficial ownership.	DCEO
15:30 - 16:30	Highlighting the consequences of non-compliance.	DCEO
16:30 - 17:00	Questions and Comments	
<b>DAY 2</b>		
08:30 - 09:00	Registration & Recap of Day 1	DWF
09:00 - 11:00	Providing an overview of public procurement processes: Procurement Act No.3 2023	PPAD
<b>HEALTH BREAK</b>		
11:00 - 11:30		ALL
11:30 - 12:30	Understanding the different types of procurement and their processes, Pre-qualification, bidding, evaluation and awarding of tenders	PPAD
12:30 - 13:30	Legal and regulatory procurement pre the procurement Act No. 3	PPAD

	2023 – The Public procurement Policy amended 2018	
13:30 - 14:30	<b>LUNCH</b>	ALL
14:30-15:30	Discussing the new Procurement Act 2023 and its objectives and reasons	PPAD
14:30 -15:30	Group Work challenges encountered in public procurement: CSOs & Government Actors	PPAD
16:00 -17:00	Plenary, Questions and Comments	ALL
17:00 – 17:05	Closing Remarks & Prayers	ALL
	<b>DAY 3</b>	
8:30 - 9:00	<b>Registration &amp; Recap of previous days</b>	All
9:00 – 10:00	Introducing Beneficial Ownership	DCEO
10:00 – 11:00	The Case for Beneficial ownership transparency and legislation	DCEO
11:00- 11:30	<b>Health Break</b>	
11:30 – 12:30	Understanding the difference between the legal beneficial ownership and Beneficial Ownership	DCEO
12:30 – 13:30	Strategies, approaches, and tools employed for effective beneficial ownership	DCEO
13:30 – 14:30	<b>LUNCH</b>	
14:30 – 15:30	Implementing beneficial ownership transparency: challenges and solutions in the context of Lesotho.	DCEO
15:30 – 16:00	Beneficial ownership transparency in procurement	DCEO & PPAD
16:00 – 17:00	Engaging Citizens, CSOs and SMMEs in monitoring: beneficial ownership	DCEO & PPAD
17:00 – 17:15	<b>Closing Remarks</b>	DWF



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10 years of providing tools and platforms to build thriving, resilient, consensus-based democracies in Southern Africa.