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**AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT**



# **ANNUAL BUDGET SUBMISSION**

## **FY 82**

## **LESOTHO**

BEST AVAILABLE

**JUNE 1980**

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY  
WASHINGTON, D.C. 20523

LESOTHO  
FY 1982 ANNUAL BUDGET SUBMISSION

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FY 1982 ANNUAL BUDGET SUBMISSION

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$ Thousands)

Decision Unit: USAID/Lesotho

Development Assistance	FY 1980 EST.	FY 1981 EST.	FY 1982 REQUEST			PLANNING PERIOD			1986
			MIN	AAPL	PROP.	1983	1984	1985	
Agriculture Rural Dev & Nutrition									
Grants	4,472	7,250	5,194	6,714	6,714	7,184	9,000	8,500	8,500
Loans	-	-	-	-	-	-	-	-	-
Population									
Grants	63	50	40	40	40	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Health									
Grants	1,500	2,250	3,695	4,245	4,245	3,943	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Education									
Grants	3,280	5,000	3,300	4,045	4,045	3,155	4,000	4,500	5,000
Loans	-	-	-	-	-	-	-	-	-
Selected Dev Activities									
Grants	24	840	-	-	3,000	730	2,000	2,000	1,500
Loans	-	-	-	-	-	-	-	-	-
<b>SUBTOTAL FUNC ACCOUNTS</b>									
Grants	9,315	15,690	12,949	15,044	18,044	15,012	15,000	15,000	15,000
Loans	-	-	-	-	-	-	-	-	-
Other DA ACCTS (Specify)	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
<b>TOTAL DA ACCTS</b>									
Grants	9,315	15,690	12,949	15,044	18,044	15,012	15,000	15,000	15,000
Loans	-	-	-	-	-	-	-	-	-
<u>Economic Support Fund</u>	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
<b>TOTAL DA AND ESF</b>	<b>9,315</b>	<b>15,690</b>	<b>12,949</b>	<b>15,044</b>	<b>18,044</b>	<b>15,012</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
PL 480 (non-add)									
Title I (of which Title III)									
Title II	5,498	5,442	6,245	11,695	11,695	6,245	6,245	6,245	6,245
Housing Guaranties (non-add)	-	-	-	-	-	-	-	-	-
Centrally and Regionally	3,585	10,500	1,500	1,500	1,500	2,000	2,000	2,000	2,000



## TABLE I NARRATIVE

## Part I.

Data concerning correlation of program levels with direct hire work force indicates Lesotho will continue to have one of the highest places in efficiency among African missions in 1982. Perhaps a truer measure of efficiency than the personnel/ program ratio, however, is to measure direct hire personnel against development impact. It is precisely to strengthen and expand this development impact that we are moving to concentrate our efforts by sector and move from the project to the sub-sector program approach over the coming years.

Our direct hire program ratio is steadily improving as we increase the program from approximately \$10 million in FY 1980 to \$15 million in FY 1982 with no increase in direct hire U.S. staff. We are accelerating this improvement by insisting that regionally and centrally funded activities as well as OPG's either fit directly into the U.S. assistance strategy in Lesotho or complement it closely so as to ensure a significant impact on Lesotho's development problems and priorities. We are also planning and carrying out mutually reinforcing activities with other donors, including the World Bank in the education sector and the EEC in road construction.

While the number of staff remains constant from 1980 to 1982 and the program amounts expand markedly, the number of projects will decrease. This reflects substantially increased project size for the new projects developed in 1980 and 1981 as compared to those developed in earlier years. This is possible because the earlier, smaller institutional development projects like Land and Water effectively set the basis for the later, larger program oriented projects like Land Conservation and Range Management.

Through 1982 we still have a large project to project manager ratio - 23/5 - which is really somewhat heavier still considering that two of the project managers, the Assistant Director and the Engineer, have substantial central management and support responsibilities in addition to their project manager duties. This activity to manager ratio will decrease as the Mission moves to its program approach beginning in 1984.

Further, we have been able to maintain this high project/project manager ratio without a Mission health officer for our two substantial health projects and associated health and population activities and without an assistant program officer - unusual in a program of this size and number of projects. This has been accomplished by drawing upon the regional health officer to provide technical backup to our generalist project manager and by having our competent, but less expensive third country national and local hire staff in the controller's office perform some of the duties more traditionally associated with the assistant program officer.

## Part II.

### A. Staff Requirements over Outyears

The Mission believes the current level and mix of ten direct hire staff will be appropriate to manage the existing program and undertake the transition to the program approach during the outyears. As indicated in the CDSS, in the interlocking areas of program emphasis, a committee approach by highly qualified U.S. staff, aided by some professional-level Basotho, is designed to bring key elements to bear on individual issues and topics. Basic capability must exist within the Mission to engage in useful dialogue with Basotho within and outside the GOL. Such capability establishes our bona fides as being genuinely concerned about Lesotho's development and credible and worthwhile partners in Lesotho's development process. With the transformation of the U.S. program from project to sector orientation, it will be particularly important to provide professionally qualified staff able to think and act in terms of the development issues as well as providing needed coordination, monitoring and evaluation capability. While numbers of staff will not decrease, substantially larger issues will become the responsibility of Mission staff. Moreover, the staff will have the ability to manage and monitor effectively far larger and more comprehensive resources for the program areas of emphasis if budget availabilities so permit. Invariably, Mission staff will need selective augmentation in specialized areas, particularly sector assessment, organization and methods, and other analytical skills as well during the planning period. However, much of this needed expertise will be called for under the contemplated program activities, since Lesotho's need will parallel substantially that of USAID. Insofar as project or sector funds are inappropriate for such work, Program Development and Support funds will be required.

### B. Measures to Increase Efficiency

As discussed in the CDSS, the Mission has extensive experience with each to indicate that utilization of PVO's, Peace Corps, and Title XII Universities cannot be counted upon to reduce the burden upon direct hire staff in moving programs of a given size. Employment of Peace Corps and PVO's to carry out projects and programs does decrease the cost of activities themselves, enabling the Mission and the Agency to do more with the funds made available. The Mission would like to see PVO's bring more of their own resources to projects including their ability to tap other organizations such as foundations for funding and collaborative work. Insofar as AID funds all costs, including generous overhead, we really do not have a cooperative relationship that gives us program leverage but merely a non-competitively selected contractor.

As can be seen from Tables I, III, V, and VI - the Mission is clearly reversing the proliferation of projects that occurred during our earlier period of rapid program expansion. This trend will be reinforced by sector concentration and a more program oriented assistance approach in the future. While this approach will not permit reduced Mission staff, it will reduce staff pressures on regional and AID/Washington offices, helping to permit personnel cuts there. The sub-sector approach builds on clusters

of existing projects, utilizes trained staff and other forms of institutional development provided by those projects, and thus avoids the demands on Mission and host government staff implicit in undertaking projects in new areas.

Reliance on returned participants in the host government is paralleled by continuous development of local staff in the Mission to perform tasks otherwise requiring direct hires. A Mosotho with training at SER/IT serves as our training officer, managing one of the biggest training programs in Africa. We intend to repeat the experience in the program office, moving a local hire employee, who is taking night courses at the local university and who is assuming increasing responsibilities, into an assistant program officer position - assuming the progress continues.

As discussed also in the CDSS, joint donor funding of projects often merely adds to the management burden given our various specific procedures and requirements. On the other hand, we are very aggressively yet selectively seeking complementary efforts, thus maximizing our joint impact. As with the program approach, linkages with other donors require a solid, full core of professionally qualified staff.

Finally, this Mission has been in the forefront in calling upon AID/Washington for assistance in lieu of increased Mission staff, especially for specific analyses and evaluations. We will continue to do so, but this approach has its own problems as AID/Washington staff have their own duties and are not organized to permit field missions to rely upon them for timely assistance. For truly reliable and informed assistance, we need a staff with frequently needed skills and who have continuous knowledge of a country's development needs and the mission's program.

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT  
 FY 1980 TO FY 1982  
 (\$ thousands)

Decision Unit: USAID/Lesotho

APPROPRIATION ACCOUNT	TITLE	LOAN/ GRANT	FISCAL YEAR 1982				
			FY 1980	FY 1981	MINIMUM	AAPL	PROPOSED
<u>ARDN</u>							
1. 0048	Land and Water	G	42	-	-	-	-
2. 0065	Farming Systems	G	1,300	1,765	1,100	1,400	1,400
3. 0215	Land Conserva- tion and Range Development	G	2,090	2,250	2,200	2,200	2,200
4. 0216	Rural Access Roads	G	-	2,330	1,900	2,400	2,400
5. 0218	Ag Planning	G	1,040	905	714	714	714
	ARDN		4,472	7,250	5,914	6,714	6,714
<u>Population</u>							
6. 0058	Rural Health Development	G	63	50	40	40	40
<u>Health</u>							
7. 0058	Rural Health Development	G	304	550	495	495	495
8. 0088	Rural Water/ Sanitation	G	1,196	2,000	3,200	3,750	3,750
	HEALTH		1,500	2,550	3,695	4,245	4,245
<u>Education</u>							
9. 0061	Inst. Mate- rials Res. Center	G	1,484	600	391	391	391
10. 0069	Manpower Dev. Training	G	1,796	3,400	2,909	2,909	2,909
11. 0080	Nat. Univer- sity of Lesotho	G	-	1,000	-	745	745
	EH		3,280	5,000	3,300	4,045	4,045
<u>SDA</u>							
12. 0202	Small Scale Enterprises	G	-	840	-	-	1,000
13. 0205	Road Mainte- nance	G	-	-	-	-	2,000
	SDA		-	840	-	-	3,000
TOTAL BY YEARS			9,315	15,690	12,949	15,044	18,044

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT  
 FY 1980 TO FY 1982  
 (\$ thousands)

Decision Unit USAID/Lesotho

APPROPRIATION ACCOUNT	TITLE	LOAN/ GRANT	FISCAL YEAR 1982					
			FY 1980	FY 1981	MINIMUM	AAPL	PROPOSED	
<u>Centrally Funded - OPG's, etc.</u>								
14. 632-0066	Nutrition Planning	OPG	508	-	-	-	-	-
15. 690-0076	Southern Perimeter Road	G		8,000	-	-	-	-
16. 632-0089	Low Cost Building Materials	OPG	24	-	-	-	-	-
17. 698-0135	Prog. Dev. Support	-	120	100	100	100	100	100
18. 632-0214	Credit Union Development	OPG	630	-	-	-	-	-
19. 632-0217	OICI Lesotho	OPG	373	389	181	181	181	181
20. 931-1054	Non-Formal Education	G	870	550	540	540	540	540
21. 632-9801	Human Rights	G	10	-	-	-	-	-
22. 632-9901	Self Help	G	50	50	50	50	50	50
23. Two AIP's			1,000	-	-	-	-	-
24. OPG's to be named		OPG	-	-	-	-	-	-
			<u>3,585</u>	<u>10,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>

TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	O/L	OBLIGATION DATE		DATE OF NEXT PLANNED ROUTINE EVAL.	CUM PIPELINE AS OF 9/30/79	FY 1980			FY 1981			FY 1982 APTL OBLIG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS
			FY	FINAL			OBLIG.	EXPEND.	TOTAL PIPELINE	OBLIG.	EXPEND.	TOTAL PIPELINE			
			INITIAL												
	<b>AGRICULTURE, RURAL DEVELOPMENT</b>														
0048	Land and Water Resources Dev.	G	75	80	3/82	304	42	72	274	246	28	-	-	-	-
0065	Farming Systems Research	G	78	83	7/81	1,366	1,300	769	1,897	1,810	1,852	1,400	10/83	1,482	
0215	Land Conservation & Range Dev.	G	80	84*	8/83	-	2,090	-	2,090	2,189	2,151	2,200	9/83	3,460	
0216	Rural Access Roads & Tracks	G	81	85*	5/84	-	-	-	-	763	1,567	2,400	9/83	7,270	
0218	Agriculture Planning	G	80	84	3/83	-	1,040	-	1,040	905	1,076	714	6/83	3,700	
	Sub-Total, ARDN	-	-	-	-	1,670	4,472	841	5,301	7,250	6,674	6,714	-	-	
	<b>POPULATION</b>														
0058	Rural Health Development	G	see	below	4/82	150	63	93	120	50	73	40	7/83	-	
	<b>HEALTH</b>														
0058	Rural Health Development	G	77	83*	4/82	740	304	467	577	550	477	495	7/83	551	
0088	Rural Water & Sanitation	G	79	83	10/82	1,804	1,196	833	2,167	2,000	3,620	3,750	1/83	3,392	
	Sub-Total, HE	-	-	-	-	2,544	1,500	1,300	2,744	2,550	4,097	4,245	-	-	
	<b>EDUCATION, HUMAN RESOURCES</b>														
0061	Instructional Materials Resource Center	G	77	82	3/81	682	1,484	1,106	1,060	600	834	391	3/84	-	
0069	Manpower Dev. & Training	G	78	83	7/81	500	1,796	1,328	968	3,400	2,827	2,909	6/83	2,500	
0080	National University of Lesotho	G	77	84	8/82	290	-	215	75	1,000	75	745	10/83	1,255	
	Sub-Total, EH	-	-	-	-	1,472	3,280	2,649	2,103	5,000	3,736	4,045	-	-	
	<b>SELECTED DEVELOPMENT ACTIVITIES</b>														
0202	Small Scale Enterprises	G	81	85*	-	-	-	-	-	840	840	-	4/83	3,160	

\*Date changed from FY 81 CP

TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	OFL	OBLIGATION DATE		DATE OF NEXT PLANNED WORK ROUTINE SYAL.	GAIN PIPELINE AS OF 9/30/79	FY 1980			FY 1981			FY 1982 % AFL OBLI.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS
			FY	FINAL			OBLIG.	EXPEND.	FINAL PIPELINE	OBLIG.	EXPEND.	FINAL PIPELINE			
			INITIAL												
	SUPPORTING ASSISTANCE (PIPELINE)														
0048	Land & Water Resources	G				389			209	180		64	116		see above
0058	Rural Health Development	G				120			63	57		57			"
0065	Farming Systems Research	G				728			728						"
0069	Manpower Development	G				1,441			627	814		552	262		"
	Sub-Total, SA					2,678			1,627	1,051		673	378		
	Total Bilateral Program					8,514			6,510	11,319	15,690	14,456	12,550	15,044	
	OTHER - CENTRALLY BUDGETED, OPGs, ETC.														
0066	Nutrition Planning	G	76	80		64			184	388		165	223		7/83
0076	Southern Perimeter Road	G	78	81		25,200			4,200	21,000	8,000	11,500	17,500		10/84
0089	Low Cost Building Materials Prod	G	77	80		323			313	34		34			
0135	PDS	G				2			120	122		100		100	10/82
0214	Credit Union Development	G	80	80					80	550		205	345		7/83
0217	OICI Lesotho	G	80	82					373		389	389		181	10/82
1054	Non-Formal Education	G	79	82		706			870	994	550	612	932	540	4/83
9801	Human Rights	G	80	80					10						
9901	Self-Help	G							50		50	50		50	10/82
	Two A.I.P.'s	G	80	80					1,000	825		680	145		6/82
	OPG's - To Be Identified	G									1,411	420	991	629	6/83
	Sub-Total, Other					26,295			3,585	6,089	10,500	14,155	20,136	1,500	
	Total All Ongoing Activities					34,809			12,900	12,599	26,190	28,611	32,686	16,544	
	Liquidating Projects (Pipeline)					3,544									

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## DECISION PACKAGE - NARRATIVE

## I. CENTRAL STRATEGY

The complex of existing Mission activities is designed to advance the approved CDSS strategy of working toward sustained, broad-based development in 25-30 years. Simultaneously, it immediately cushions some of the worst aspects of absolute poverty by addressing health, nutrition, energy and human resources development needs. While Lesotho must remain uniquely dependent on South Africa for employment, income, and goods for many years, the U.S. assistance program will help Lesotho realize its desire to establish internal economic viability and to participate in an open and equitable economic system. Also, the program seeks to enhance America's identification with legitimate social and political aspirations of Lesotho and other majority ruled states of Southern Africa.

In choosing the primary area in which to foster expanded, broad-based income and employment, attention is drawn immediately to Lesotho's extensive though overused grasslands. These grasslands support large numbers of small-holder herds of cattle, goats, and sheep. Second, while Lesotho has a severe shortage of arable land, large amounts of South African grains, produced in large units more easily and cheaply than Lesotho could hope to produce them, are easily available. Third, many individual Basotho, from their small holdings, have successfully produced and marketed cash crops whose returns have been several times greater than those achievable from cereal grains on the same holdings. These and other factors convince the Mission that major initial moves toward economic viability and increased employment and income for the poor majority must be based heavily on development of productive activities exploiting the extensive grasslands and on labor intensive production, processing, and marketing of commercial cash crops. The development of cash crops, particularly certain high value specialty items, should take advantage of the seasonal differences between Lesotho and the major markets in the Northern Hemisphere. However, significant market opportunities right in Lesotho, in South Africa, and in other African states should not be overlooked.

A key constraint is the relatively low skill but comparatively high wage levels for Basotho labor. This factor, combined with other competitive disadvantages of locating enterprises in Lesotho, point away from major commercial investment from the outside for the present. Development of grassland related activities and cash crops, on the other hand, builds on existing interests and activities for which internal and concessionary investment is available. It provides a bridge toward later development of more sophisticated productive enterprises to be undertaken once current disincentives are overcome.

The process of developing, shaping, focusing, and refining a coherent, broad-based development program has involved dropping a number of worthwhile planned activities that fall somewhat beyond the central focus and beyond subsequently reduced funding limits and expectations. This refinement process has resulted in a program of activities for FY 1981 consisting at all decision package levels of four programmatic elements: (1) economic planning and research centered primarily on agriculture and other forms of

rural production; (2) conservation and development of land and energy resources indispensable to subsistence, income, and energy supply; (3) participatory programs to enhance immediately and directly income, employment, and quality of life; and (4) development and utilization of human resource potential to the benefit of broad-based, sustained economic and social development.

The activities undertaken in support of these program headings will increasingly focus in two sectors - (1) agriculture, rural development (including energy) and nutrition and (2) human resources development. While fully recognizing the continued importance of health and population activities for Lesotho, the Mission is strongly convinced that its own comparative advantage lies in the former two sectors where its activities, developed over several years, strongly reinforce each other and complement the activities of other donors. In health and population, however, our two current activities in rural health development, and in rural water supply and sanitation represent the efficient limit of our assistance possibilities. Lesotho is not faced with some of the overwhelming health problems of the tropical countries; additional activities mentioned to us would involve capital transfers and heavy demands on Lesotho's limited recurrent costs capacity and would require additional Mission management staff. Other donors already provide technicians in support of Lesotho's population program for which AID provides commodity support and cooperates with private organizations active in the field. We will continue to look for appropriate opportunities to assist in this critically important area to strengthen local efforts to reduce population growth and to increase awareness of the effects of demographic factors on the need for new and expanded government programs and their implications for Lesotho's limited resource base.

Recognizing that ultimate economic viability rests not only on the direction chosen but also on the means and manner of proceeding, the program supports through several of its projects (1) linked community and central government efforts, (2) integration of the various geographic areas to the benefit of all, (3) private initiatives - individual and communal, (4) basic policy and institutional development, and (5) development leverage through linking our efforts to those of other donors, where feasible.

The program level, even at AAPL, represents a retreat from earlier higher projections made in response to U.S. Government desires to show support for majority rule in Southern Africa. This has happened not because the funds cannot be spent wisely, but because they haven't been made available. (See the Proposed Decision Package). Some of the other donors, too, because of their own budgetary problems are not fully following through on the post 1976 projected build up, although the Government of Lesotho has undertaken significant efforts to bring recurrent expenditures under control, establish and refine priorities, and expand its management capacity. Because of stipulated funding limitations, FY 1982 project funding levels reflect traditional forward funding principles rather than the more recent full funding objectives.

## II. DECISION PACKAGE - MINIMUM

### A. Economic Planning and Research Centered Primarily on Agriculture and Other Forms of Rural Production

Agricultural Planning (0, 8)<sup>1/</sup> Farming Systems Research (0, 4)

Moving toward broad-based rural income and employment in the circumstances mentioned above and described more fully in the CDSS is difficult and complex. Given the number and complexity of factors involved, the severity of the constraints, and the number and various sizes of donors with their varying points of view and approaches -- conceptually, planning becomes the first order of business. The shared objective of the projects and associated activities under this initial program heading is to establish an institutionalized process for (1) allocating development resources, (2) formulating policies directing investment, savings, and consumption decisions of agricultural producers, consumers, and suppliers toward national development objectives, (3) control and direction of external resources - primarily donor - toward these objectives, and (4) systematically revising successive efforts to reflect operational experience. The two immediate needs for advancing this process are to establish an adequate analytical ability within the Ministry of Agriculture to incorporate all relevant technical, economic, and social considerations into the process and, second, to work in concert with other government and private entities.

Agricultural Planning (1980 - 1986) is designed to help provide the Ministry of Agriculture with an institutionalized operational planning and evaluation capacity. It stems from the Lesotho Agriculture Sector Analysis Project (1977 - 1981) which developed many reports, undertook to systematize information gathering, and gave academic and on-the-job training in pertinent fields. But this effort was brought to a halt ultimately because the government lacked the operational planning capacity necessary to use the analysis. The project will also link with the UNDP and World Bank assisted project to establish a stronger planning capability and process for the government as a whole.

Farming Systems Research (1978 - 1983) will give Lesotho an applied research capability carried out on selected farms, limited not merely to technical aspects of crop and livestock production but focused on every aspect of farm production and marketing so as to gain a systematic picture of possibilities and requirements. It will provide the practical link between general economic analysis and technical research on one side and the extension services and the farmers themselves on the other.

The two projects together represent a major, essential contribution to addressing the CDSS analyzed basic constraints of (1) underdeveloped agricultural institutions, (2) low level of agricultural technology, and (3) the unfavorable economic conditions arising out of the dependency relationship with South Africa.

1/ 0 = Ongoing; 8 = ranking

B. Conservation and Development of Land and Energy Resources  
Indispensable to Subsistence, Income, and Energy Use

Land and Water Resource Development (P), Renewable Energy Technology (P) and Land Conservation and Range Development (O, 6)

This complex of projects combined with the just finished Thaba Bosiu area conservation project make AID the preeminent donor in land and energy resource conservation and effective use. Continuation of interlinked activities in land, range, and energy conservation and use are required if the present rapid rate of land erosion and range deterioration are to be slowed and then stopped in order to maintain these resources for productive purposes. Land and Water Resources (1975 - 1982) is establishing in the Ministry of Agriculture a fully operational, locally staffed Conservation Division capable of planning and implementing arable land conservation activities protecting an additional 1400 hectares with conservation works annually. The project will directly benefit over 50,000 families during life of project. Land Conservation and Range Development (1980 - 1987) will double the Division's annual capacity with respect to protecting arable land. It will also help the Range Division become fully operational in developing and carrying out range land protection -- where program development has lagged behind arable land protection.

Renewable Energy Technology (1980 - 1983) will test in several rural pilot areas various means to reduce dependence on kerosene, wood, animal waste, brush, and other scarce, inefficient or expensive fuels. It will establish institutional and operational frameworks for continued development and expansion of these activities. Use of animal wastes, crop residues, and brush for fuel is a major contributor to the rapid depletion of Lesotho's land resources. Success in developing and efficiently using renewable energy is important to future success in the other land resource conservation activities.

Land Conservation, range development, and renewable energy activities all center on local management and maintenance by community organizations with various forms of required assistance from central government

C. Participatory Programs to Enhance Immediately and Directly Income, Employment, and Quality of Life

Rural Water and Sanitation (O), Rural Health Development (O), Nutrition Planning (P)(PVO), Lesotho Opportunities Industrialization Center - Trades Skills Development (O)(PVO), Credit Union Development (P)(PVO), Rural Access Roads and Tracks (O) Southern Perimeter Road (P) and PL 480 Vol Ag Maternal Child Health and Food for Work (PVO)

1. Income and Employment

The Mission has had several successful experiences with PVO's

in mohair spinning and marketing, weaving training, and low cost building materials and joinery production and marketing. These experiences have convinced the Mission that production initiatives which Private Voluntary Agencies can design and manage effectively can be used to enhance our development strategy in Lesotho, provided that activities and organizations are carefully selected and designed and clearly form part of a sectoral strategy and approach. Where successful, the beneficial results are immediate and point the way to additional efforts. Even when unsuccessful, the activities provide immediate lessons for shaping future efforts at all levels. Since recent experience has shown clearly that substantial Mission input is required at the design and implementation stages, the Mission is intent on ensuring that PVO projects do not become a number of unrelated ad hoc micro activities, such as are more appropriately funded under the Special Self Help Authority.

The Mission is thus systematically examining in cooperation with PVO's those activities which can bring immediate income and employment and which support basic development objectives such as productive use of the range lands. The Mission expects to encourage PVO's to seek more non-USG participation in funding and undertaking of activities to obtain in-depth knowledge of key areas and problems. An example is a Winrock Foundation study of sheep, goat, wool, and mohair production and marketing to be undertaken at CARE's request. Another study under consideration would examine prospects for leather and leather products where good potential is said to exist for increased employment and income by poor people.

2. Labor Intensive Rural Access - A broad, rural based employment and incomes strategy depends inevitably on the existence of a basic transportation system for supplies of inputs and services to rural producers, for marketing their produce, and for making productive investment in out-lying centers. Lesotho has always been plagued by an inadequate transportation system due to its rugged, mountainous terrain and dependence upon South African routes along the perimeter. Transkei border complications in late 1976 and since have emphasized the urgency of basic transportation for Lesotho for internal development and reduction of dependence on South Africa. Planned construction of the Southern Perimeter Road (1978 - 1983), linking the southeastern part of the country containing one fourth of the population, using labor intensive methods for major portions, and opening it up to development efforts, thus reflects multiple concerns. The EEC is cooperating through construction of an adjacent link in the route to Maseru.

These complementary, parallel AID and EEC assisted measures to establish the trunk road linking different areas of the country will be further complemented by labor intensive construction of Rural Access Roads and Tracks (1981 - 1987), focusing primarily on the area to be served by the Southern Perimeter Road. The project utilizes the organization and construction methods carefully established under an IDA credit and employs the government's village based community development network for much of the planning, management, and maintenance. Initial funding may come as early as late FY 80 under an accelerated impact project to commence limited, prototype activities involving possible collaboration with the WFP and examining means of establishing proper proportions of food and cash payment for the construction workers.

3. Health and Nutrition - In this area, four activities are designed to help Lesotho achieve an affordable integrated health program with emphasis on preventive measures, active community support and participation, and placement of a trained cadre of health workers effectively linking communities to central services. Rural Health Development (1977 - 1983) is training cadres of health workers - including nurse clinicians and village health workers - for rural areas while establishing the health delivery systems in which they will work. In a parallel complementary effort, Rural Water and Sanitation (1979 - 1988) will involve the collective efforts of the central Village Water Supply and Health Education Services, the community development system, and village committees to establish clean water supplies and good sanitation practices among 90,000 rural villagers during the life of project. The program is being institutionalized for continuation after A.I.D.'s concessionary assistance is completed.

Nutrition Planning (1977 - 1983) is designed to help the Government of Lesotho plan, direct and coordinate all development activities related to nutrition to improve the status of the approximately one-third of all Basotho who suffer from nutritional disorders and to help preserve the status of the remainder. For the 200,000 persons or 15 percent of the population most in need the Title II Voluntary Agency food program provides nutritious foods and nutrition information and training for mothers and children and for families in food-for-work projects. The Mission is launching an analysis of how to make food for work developmentally effective and productive without serving as a disincentive to increased food and agricultural production.

D. Development and Utilization of Human Resource Potential to the Benefit of Broad-Based, Sustained Economic and Social Development

Manpower Development and Training (0, 1), Instructional Materials Resource Center (0, 2), Structuring Non-Formal Education Resources (0, 9), Lesotho Opportunities Industrialization Center (PVO, 0)

A broad-based development strategy such as Lesotho's, requires thousands of individuals, who may be poor but who control some productive resources, to make informed decisions based on considerations with respect to management and optimum use of those resources. Inevitably, it requires more thousands to learn new skills and trades to service and support the broad range of development activities and to increase incomes. Finally, it requires a cadre of professional and technical specialists to provide overall direction and movement. Seen in this light, concerted human resources development conducted at various levels through formal and non-formal means is an essential and pervasive requirement for successful, sustained development of the country as a whole. The problem is made worse by earlier neglect of Lesotho's education system, leaving it some 15-20 years behind the other countries of Anglophone Africa. The Mission stresses that this effort must be made at several levels - not only skills creation and enhancement in areas directly related to development activities but in the design of an overall education system that meets Lesotho's needs. AID possesses a unique comparative advantage in helping the Government of

Lesotho address skills development problems. The Mission has developed an ongoing complementary set of bilateral, PVO, and centrally funded projects that address the three major areas of (1) basic education, (2) trades skills, and (3) development related managerial and technical skills. The activities supported by our projects constitute operating components in an overall sectoral system that the Ministry of Education is working to establish. In the course of considering future directions and assessing the need for most effective utilization of outside aid, the Ministry has been turning to us as the best source of assistance for the help needed to further develop a general education policy and strategy for development along with concomitant tasks prior to the Bank's extension of a major Third Credit, now under discussion. Finally, further strategy development, further development of the educational system, and continued dialogue between the Mission and Ministry staff are leading to opportunities for a broader program less tied to the traditional project approach.

Instructional Materials Resource Center (1977-1984) constitutes an essential element of ongoing efforts to increase the relevance of the formal education systems to the needs of the poor through (a) preparing instructional materials and teaching resources for use in training primary and secondary teachers and (b) preparing prototype instructional materials and teaching resources for primary and junior-secondary schools. It represents a key link in the chain from basic curriculum development, assisted by a World Bank funded project, to mass materials production which is in the study stage. The aims of the project are complemented and reinforced by the Structuring Non-Formal Education project (1979 -1983) which helps the Lesotho Distance Teaching Center to provide extension courses at the primary and secondary level as well as support government and private organizations with materials, technical consultation, and financial support in conducting short term, practically oriented education activities. This supports manpower development in such diverse areas as rural health care, agricultural credit, nutrition and home economics, and home industries.

Lesotho Opportunities Industrialization Center (1978-1983) will have provided training in plumbing, electrical work, brick laying, construction foremanship, and other trades to several hundred persons by end of project. It is the only skills training program in Lesotho which focuses on pre-junior certificate school leavers and which has a complete, systematic program that continues through to job placement and follow up. The Mission and the Ministry of Education are reviewing possibilities for incorporating the project's techniques into other trades training programs and the establishment of a comprehensive trades training system of which the Center would be a key component.

While the above activities are essential to long term development, Lesotho's manpower shortages, especially at the management level, are so widespread that the immediate manpower problem cannot be addressed solely through basic education and training programs. To provide some of the key technical and managerial skills needed to carry out development programs, Manpower Development and Training provides operational technicians to the GOL, training for counterparts and training for related personnel so that GOL offices that are key to an improved development process can function

effectively.

Just as the AID assistance program to Lesotho is becoming more sharply focused after earlier years of exploration and expansion, so is the assistance under this project becoming more explicitly directed at supplementing and reinforcing the basic AID program objectives.

The Mission's plan is to work with the GOL on an overall educational and training system for basic education, skills development, and meeting overall manpower requirements while addressing operational constraints analyzed in the CDSS. The systematic, comprehensive nature of this approach will make its whole greater than the sum of its parts. Given the number of parties and activities now at work, failure to undertake this systematic approach will result in a whole much less than the sum of its parts. The pervasiveness of need makes education and human resources development the area of single most important impact on further development overall and on providing the basic conditions to permit development in key individual areas.

### III. DECISION PACKAGE - AAPL

Moving up to the AAPL level means intensification of efforts in the direction we are already moving plus more generous funding increments for existing projects. The latter will permit more management attention to substance and more expeditious ordering of required project inputs. The AAPL level will not lessen program concentration nor will it involve additional personnel. With greater impact to be achieved through a greater level of more intensified effort, but with existing Mission staff levels, it represents a clear example of doing more with less.

The AAPL level would fund Phase II of the National University of Lesotho - Institute for Extra Mural Studies project - permitting expanded implementation of those after-hours degree and in-service short courses constituting the overall program designed and refined during the Phase I activity now coming to an end. The program would especially strengthen the Institute's efforts in its small centers in outlying areas. It would effectively complement the Lesotho Distance Teaching Center which does not have the capacity to actually conduct courses on site and which provides training at a more grass roots level.

Secondly, the AAPL would permit the undertaking of a Government to Government Title II Section 206 Food for Development Program. The food itself would include an initial shipment of yellow corn to initiate feed-lot operations to be started in conjunction with an abattoir project assisted by the Danish aid program. This operation in itself would contribute directly to our central strategy thrust by accelerating removal of livestock from the overcrowded ranges. The proceeds from the grain sales would be used to promote implementation of the recently enacted land tenure act as well as horticulture production, both core elements of the strategy of switching to more labor intensive cash crop production as a means to long term economic viability. The mechanics of implementation would be organized to mesh with the more programmatic approach to assistance approved in the CDSS and laid out in more detail in a later section of this presentation.

#### IV. DECISION PACKAGE - PROPOSED

Since even at the AAPL level, the program level is reduced so drastically from that envisioned as late as mid-to-late 1978 and toward which activities have been designed, the Mission is submitting a proposed level for information and consideration. The proposed level maintains the same thrust as the lower levels - still omitting those projects under consideration earlier but which were somewhat outside the central focus. The proposed level package takes special care to obtain additional impact, use existing but unexploited absorptive capacity in one area while building upon absorptive capacity in the other; make minimal effect upon recurrent costs while building recurrent revenues, and, finally, exact no additional mission staff requirements - doing yet even more with less.

Small Scale Enterprises (1981-1985) employs a guarantee fund to direct existing banking operations toward development related loans for small enterprises. This action would capture for development funds put into local savings accounts by Basotho but which are at present then transferred to investments outside the country. It would encourage Basotho to expand income and employment generating activities according to their own abilities while strengthening the fiber of the Lesotho economy. While this project lies clearly within the conceptual thrust of the assistance program, it lies somewhat outside our usual operational reach and, at currently projected levels, may require much Mission staff time for management. The Mission is thus reviewing possibilities for undertaking a pilot activity under PVO or Accelerated Impact Program auspices.

The Road Maintenance Project (1982-1986) would expand the Ministry of Works and local communities road maintenance capabilities, especially in the region of the Southern Perimeter Road and the Rural Access Roads and Tracks project. The project would thus increase the impact of two major existing projects while helping Lesotho to protect its investment in its existing and expanding road network.

## V. TOWARDS A NEW PROGRAM APPROACH

### A. Introduction

The interlinked set of projects presented in the Decision Packages make direct contributions toward meeting Lesotho's development needs. Also important, however, is that they provide a nucleus in each of the four program areas - also interlinked - for development of a more flexible, less project oriented assistance program commencing in 1983 or 1984. This approach is intended to give greater force, focus, system and impact to U.S. assistance activities and to serve as a prototype for more effective and priority-related activities by GOL and other donors. We hope thus to contribute toward providing a central focus to the general policy themes stated in Lesotho's Third Five Year Plan so the development community together with the GOL can maximize our comparative advantage in collecting and coalescing resources for realization of these themes. The Mission believes that it is basically through such a concerted and systematic approach that the bases for sustained development in 25-30 years can be established.

In reviewing progress and prospects for a more systematic approach to development by the development community, the Mission is struck by the failure of the various sector reviews and project evaluations conducted by donors to focus generically on performance factors necessary to program achievement and successful functioning of systems as systems in support of those programs. Even sector reviews seem to be preoccupied with relative progress of a specific activity and note the individual performance shortcomings that impeded the progress of that activity. Yet the problems mentioned are common to all activities - for example, failures in financial management, erratic and inconsistent pricing decisions, failures of the motor pool and other administrative and management functions, etc. It is precisely to understand and address these generic constraints to performance in the course of establishing coordinated programs that gives the impetus to this forward looking programming exercise. It is in this context that contributions of existing projects are being reviewed and related next steps are being selected.

While these problems exist across the board, there are great variations in prospect and approach ranging from the relatively advanced position of the education sector to somewhat less grounds for optimism concerning the planning and support services of the Ministry of Agriculture. Reflecting this prospect, existing U.S. human resources development projects come to a close soon and our assistance in this key field can be converted to a program form at an earlier date. A review of current status and an outline of next steps by program area follows.

B. Economic Planning, Research, and Management Infrastructure Centered Primarily on Agriculture and Other Forms of Rural Production

This area, including the Ministry of Agriculture's Planning Office, the Extension Service, the Marketing Systems, the input delivery systems, and the like faces some of the most serious problems in the range of GOL development activities with which U.S. aid is associated. In several instances, such as with the livestock marketing service and the produce marketing system, there has been organizational decline and the GOL is considering a new organization to perform marketing functions. In others, such as the extension service, greater effort is needed to set up a comprehensive, effective service tailored to the country's needs. While the agricultural sector received the greatest portion of government and donor attention and resources, it is the Mission's belief that more systematic effort is required to consider and define viable alternatives and systematic programs for productive and remunerative agricultural pursuit among Basotho, in particular to make farming a more attractive livelihood among rural people.

Given these circumstances, a strengthened planning system is the first step toward establishment of programs and supporting services as well as incentives and other policies that encourage the farmers to participate effectively in the programs. The Agricultural Planning project, with initial funding in FY 1980, is designed to help the GOL take this step. The project is being designed not only to perform operations within the Ministry of Agriculture, but to help the Ministry interact with optimum effectiveness with the other GOL organizations with which it must work to be able to carry out its business, most notably the Central Planning Office, the Ministry of Finance, and the Ministry of Rural Development.

The Farming Systems Research project, as noted in the decision package narrative, establishes the applied research link in the chain from basic research to delivery of advice and inputs to farmers.

Regarding additional next steps, a priority order of business is for the development community to come to a common understanding and agreement on what is needed for the subsector systems to operate as systems. This is primary because in this subsector above all others, the various systems and services must be developed apace, or development in any one area is wasted - as with development of a research system without an extension service.

Once this understanding is reached and a systematic approach is adopted, the Mission would consider additional assistance if possible on a program basis to help establish and make operational any of the various services - so long as they fit into a systematic overall effort. The Mission visualizes that the most likely areas in which U.S. assistance can play a productive role would include upgrading of agricultural education within Lesotho, at the Lesotho Agricultural College and elsewhere within the National University, agricultural processing in rural areas, eventual assistance in marketing and the creation of a comprehensive extension service.

C. Conservation and Development of Land and Energy Resources  
Indispensable to Subsistence, Income, and Energy Use

The projects in this area of emphasis together form a program area that is fairly specific in its operational area of focus thus lessening problems of coordination. Moreover, they have good spread potential in that they can be expanded to cover eventually the entire country. Importantly, the projects themselves are developing the delivery systems necessary to support a more comprehensive program approach.

The prototype Renewable Energy Technology project will be completed in mid to late 1983 while the Land Conservation and Range Development project is currently expected to have major field activities through 1985. We intend to phase in program assistance to land and range activities as the project phases down. In the key area of energy, it may prove necessary to support a second project to move the activity from pilot to national approach. This would be followed by the judicious inclusion of support to energy-related activities within land and range programs based on experience of effective coordination among the GOL entities active in the field such as the Agriculture, Rural Development and Interior Ministries and local authorities.

The Land Conservation and Range Development project will provide an ideal transition phase from project to subsector support. It will complete the process, launched by the completed Thaba Bosiu and ongoing Land and Water Resources Conservation projects, of developing the necessary mass of technical and managerial capacity in the Conservation and Range Division, and it will have a set of field tested, improved, and expanded conservation techniques and methodology with room for still further expansion. While the Agriculture Ministry's Range Division will not have had the same range of project experience possessed by the Conservation Division, by end of project it should have the necessary body of techniques, methodology, and expertise to develop an expandable program. Further, a comprehensive conservation approach necessitates inclusion of range-lands because of the functional relationships between arable and range land use as well as the interlinking aspects of arable and range land deterioration. An important complement to these activities involves emphasis on energy resource conservation and development (the mass of poor people burn animal dung, brush, and crop residues instead of letting them return to soil, increasing the susceptibility of the soils to erosion and hastening their depletion) and the Mission will follow up keenly on opportunities for effective action in concert with the main land protection activities.

D. Participatory Programs to Enhance Immediately and Directly  
Income, Employment, and Quality of Life

Activities we propose to carry out in the future under this heading fall into two categories: (1) government supported labor intensive construction of infrastructure - basically rural roads and tracks and other rural public works - that lead directly to income and employment creation through increased access and economic integration and (2) funding support for productive activities themselves, largely carried out by private individuals or groups with the assistance of Private Voluntary Organizations.

The Rural Access Roads and Tracks project, proposed for initial funding in 1981, contains many of the elements of program assistance. Compared to other projects it contains a comparatively lesser amount of technical assistance and institutional building while providing comparatively large amounts of local costs support for carrying out rural access roads and tracks construction and maintenance using a methodology designed, tested, and refined over the past several years. Program assistance under this rubric would involve funding additional labor intensive construction units as funding became available. The primary concern would be selection of those routes containing the most development potential and assuring continuation of maintenance. One additional advantage of this activity is that it could be expanded in the case of a sudden expansion of the labor force through return of migrant laborers from South Africa. The Mission would foresee program assistance phasing into this area commencing in FY 1985.

For support to production activities, the Mission is seeking greater knowledge with regard to where production activities supporting the basic thrusts of prudent exploitation of the grasslands and production of high income crops lies so as to reinforce efforts in these areas. For instance, CARE has approached the Mission to seek OPG assistance in goat husbandry, the next logical step in the production chain which also includes mohair spinning and marketing, which they are now assisting. With Mission encouragement they are now, instead, seeking to define the entire chain of production and marketing related to mohair to ascertain whether in fact goat husbandry is the logical next step or whether other steps must be taken also. As noted in the decision package narrative, the Mission intends to

encourage additional such studies, using private contributions where possible, including prospects for leather and leather products and horticulture production, where private organizations are already assisting on a limited scale.

Following a series of such studies, including review of existing activities and of interested Private Voluntary Organizations over the forthcoming year or two, the Mission intends to seek design and establishment of a PVO rural development co-financing fund on the Bangladesh and Indonesia models - without requiring equal contributions from the intermediary organizations. Initial funding is projected for FY 1984 or FY 1985.

E. Development and Utilization of Human Resource Potential  
to the Benefit of Broad-Based, Sustained Economic and  
Social Development

Obligations for existing projects in this area of concentration should be substantially completed by FY 1983, with project activities phasing out during FY 1984. In conjunction with associated steps these projects can serve as cornerstones for converting U.S. assistance to a program approach commencing not later than FY 1984. Such programs would focus on (1) development oriented basic education, (2) a comprehensive well-coordinated program and trades skills development, and (3) development related professional and managerial skills development for government, particularly in the Ministry of Education (MOE) and the National Manpower Development Secretariat (NMDS) but not limited to these two organizations. The Mission is prepared to consider a pilot, prototype subsector grant in primary education, curriculum development and testing to commence in FY 1983.

A basic element in the approach is to ensure effective planning and coordination. A likely area of U.S. assistance is to help establish in the Ministry of Education, most likely the Planning Office, a cadre of high level, skilled personnel who can plan and execute the decisions coordinating efforts toward a national education and training system with a development focus. The Mission envisions assisting, first, with additional personnel and training for the NMDS and the MOE under the current Manpower Development and Training (MDT) project. Second, the Mission will provide a series of consultants to assist the MOE and NMDS in analyzing educational manpower data to refine policy and undertake strategic planning. From these beginnings, the Mission will be prepared to assist in undertaking the projection of skilled manpower requirements to complement, reinforce and extend curriculum and instructional materials activities under our Instructional Materials Resource Center project and help complete the systems for delivery of primary education programs. Complementing this area of activity the Mission also envisions utilization of technicians to provide long and short term assistance to the National Curriculum Development Center (NCDC) subject panels who, under the authority of the MOE's National Curriculum Committee, are responsible for planning, designing, and testing national curricula which address agriculture, health, mathematics, and science.

With the all-pervasive shortage of management and planning skills throughout the GOL, the Mission is prepared to consider similar assistance to other key development agencies, particularly Rural Development, but such plans must await the refinement of budget availabilities. It should be stressed that such assistance, if it were considered, would be through the national manpower planning organism rather than the more intensive programs foreseen in support of the Ministry of Agriculture (see A above) or Education. We do anticipate that other donors will wish to consider offering assistance of this type to the development-oriented government departments urgently in need of them.

Bureau Code: 06 Decision Code:

**TABLE V - FY 1982 PROPOSED PROGRAM RANKING**

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	PIPELINE/ ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)			
					INCR	CUM	INCR	CUM	INCR	CUM
<b>DECISION PACKAGE MINIMUM</b>										
	<u>Pipeline Projects - Bilateral or SA Regional</u>									
	632-0048 Land and Water Resources	P	G	ARDN	(144)	(144)				
	690-0076 Southern Perimeter Road	P	G	SA	(12,580)	(12,724)				
	632-0206 Renewable Energy Technology	P	G	SD	(958)	(13,682)				
	<u>Pipeline Projects - Centrally Funded &amp; PVO</u>									
	632-0066 Nutrition Planning (PVO)	P	G	ARDN	(223)	(13,905)				
	632-0214 Credit Union Development (PVO)	P	G		(345)	(14,250)				
	Sub-Total (Non-Add)					(14,250)				
	<u>New and Continuing Projects</u>									
1.	632-0069 Manpower Development & Training	0	G	EH	2,909	2,909				
2.	632-0061 Instructional Materials Resource Center	0	G	EH	391	3,300				
3.	632-0058 Rural Health Development	0	G	HE	535	3,835				
4.	632-0065 Farming Systems Research	0	G	ARDN	1,100	4,935				
5.	632-0088 Rural Water and Sanitation	0	G	HE	3,200	8,135				
6.	632-0215 Land Conservation & Range Dev.	0	G	ARDN	2,200	10,335				
7.	632-0216 Rural Access Roads and Tracks	0	G	ARDN	1,900	12,235				
8.	632-0218 Agricultural Planning	0	G	ARDN	714	12,949				
9.	931-1054 Structuring Non-Formal Education	0	G	EH	(540)	12,949				
10.	PL 480 Title II Vol Agency	0	G	ARDN	(6,245)	12,949				
	Total Minimum Package and Related Workforce				(12,949)		10	10	12	12*
	* With staff levels of 10 USDH and 12 FNDH Pipeline activities versus staff related to New and Continuing activities									between staff related to

Bureau Code: 06 Decision Code:

TABLE V - FY 1982 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY	PIPELINE/ ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)			
					INCR	CUM	INCR	CUM	INCR	CUM
<u>DECISION PACKAGE AAPL</u>										
11.	632-0080 National University of Lesotho	0	G	EH	745	13,694	0	0	0	0
12.	632-0216 Rural Access Roads and Tracks	0	G	ARDN	500	14,194	0	10	0	12
13.	632-0088 Rural Water and Sanitation	0	G	HE	560	14,744	0	0	0	0
14.	632-0065 Farming Systems Research	0	G	ARDH	300	15,044	0	0	0	0
15.	PL 480 Title II Section 206	N	G	-	(5,450)	15,044	0	0	0	0
	Workforce Increment, AAPL Package						0	0	0	0
	Total AAPL Package and Related Workforce						0	10	0	12
<u>DECISION PACKAGE PROPOSED LEVEL</u>										
16.	632-0202 Small Scale Enterprises	0	G	SDA	1,000	16,044	0	0	0	0
17.	632-0205 Road Maintenance	N	G	SDA	2,000	18,044	0	0	0	0
	Workforce Increment Proposed Package						0	0	0	0
	Total Proposed Package and Related Workforce						0	10	0	12

**TABLE VI  
PROJECT SUMMARY**

**NUMBER OF PROJECTS**

	FY 79	FY 80	FY 81	FY 82 MIN	FY 82 APL	FY 82 Proposed <sup>1/</sup>
IMPLEMENTATION AT BEGINNING OF YEAR.....	16	20	22	20	20	22
MOVING FROM DESIGN TO IMPLEMENTATION DURING YEAR.....	4	3	2	0 <sup>2/</sup>	0	1
DESIGN FOR FUTURE YEAR IMPLEMENTATION.....	3	2	0	0	0	0
<b>SUBTOTAL.....</b>	<b>23</b>	<b>25</b>	<b>24</b>	<b>20</b>	<b>20</b>	<b>23</b>
NUMBER OF NON-PROJECT ACTIVITIES.....	3	3	3	3	3	4
<b>TOTAL.....</b>	<b>26</b>	<b>28</b>	<b>27</b>	<b>23</b>	<b>23</b>	<b>27</b>

**NUMBER OF PROJECTS MOVING FROM DESIGN TO IMPLEMENTATION BY PROJECT SIZE**

**AID'S CONTRIBUTION TO LIFE OF PROJECT COST**

	FY 79	FY 80	FY 81	FY 82 MIN	FY 82 CURR	FY 82 APL
LESS THAN \$1 MILLION.....	1 <sup>3/</sup>	1 <sup>3/</sup>	1 <sup>3/</sup>	0	0	0
\$1 TO \$5 MILLION.....	2	0	0	0	0	0
\$5 TO \$15 MILLION.....	1	2	1	0	0	0
\$15 TO \$25 MILLION.....	0	0	0	0	0	0
MORE THAN \$25 MILLION.....	0	0	0	0	0	0

<sup>1/</sup> See Table V Narrative

<sup>2/</sup> Assume, however, there will be 1 or 2 PV0's

<sup>3/</sup> PV0



**TABLE VII**

FUNCTIONS	FY 82 MINIMUM				FY 82 CURRENT				FY 82 AAPL			
	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT
<u>Executive Direction</u>	1				1				1			
<u>Program Planning</u>	1	2			1	2			1	2		
<u>Project Design</u>	1				1				1			
<u>Project Implementation</u>	4	4			4	4			4	4		
<u>Financial Management</u>	1	2		1	1	2		1	1	2		1
<u>Mission Support</u>	2	4			2	4			2	4		
<u>Non Mission Specific</u>												
<b>TOTAL.....</b>	<b>10</b>	<b>12</b>		<b>1</b>	<b>10</b>	<b>12</b>		<b>1</b>	<b>10</b>	<b>12</b>		<b>1</b>
<b>PLUS: PASAs (OE &amp; Program)</b>												
<b>LESS: JAO Details</b>		<b>IDIs</b>				<b>IDIs</b>				<b>IDIs</b>		
<b>MODE Required</b>	<b>10</b>	<b>-</b>			<b>10</b>	<b>-</b>			<b>10</b>	<b>-</b>		<b>1</b>

**TABLE VIII**

**OPERATING EXPENSE SUMMARY**

	FY 1979			FY 1980			FY 1981		
	(\$000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost
<b>COST SUMMARIES</b>									
US Direct Hire	422.6	8.5	49.7	565.9	9.8	57.7	739.5	10.5	70.4
FN Direct Hire	19.5	5.5	3.6	33.3	7.8	4.2	123.7	12.0	10.31
US Contract Pers.	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
FN Contract Pers.	55.1	1.5	36.7	11.0	.5	2.2	27.5	1.0	27.5
Housing Expense	160.9	6.5	24.8	97.1	4.5	21.6	125.5	5.0	25.1
Office Operations	193.9	xx	xx	259.0	xx	xx	322.1	xx	xx
Total Budget	852.00	xxx	xxx	966.3	xx	xx	1,338.3	xx	xx
Mission Allotment	494.8	xxx	xxx	475.0	xx	xx	797.9	xx	xx
FAAS	36.6	xxx	xxx	93.9	xx	xx	106.1	xx	xx
Trust Fund	-0-	xxx	xxx	-0-	xx	xx	-0-	xx	xx

**COST SUMMARIES**

US Direct Hire

FN Direct Hire

US Contract Pers.

FN Contract Pers.

Housing Expense

Office Operations

Total Budget

Mission Allotment

FAAS

Trust Fund

**TABLE VIII**

	FY 1982 MINIMUM			FY 1982 CURRENT			FY 1982 AAPL		
	(\$000's)	Related Workyear	Unit Cost	(000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost
US Direct Hire	741.8	11.0	67.4	741.8	11.0	67.4	741.8	11.0	67.4
FN Direct Hire	142.3	12.0	11.9	142.3	12.0	11.9	142.3	12.0	11.9
US Contract Pers.	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
FN Contract Pers.	31.6	1.0	31.6	31.6	1.0	31.6	31.6	1.0	31.6
Housing Expense	177.1	6.5	27.3	177.1	6.5	27.3	177.1	6.5	27.3
Office Operations	353.9	XX	XX	353.9	XX	XX	353.9	XX	XX
Total Budget	1446.7	XX	XX	1446.7	XX	XX	1446.7	XX	XX
Mission Allotment	876.0	XX	XX	876.0	XX	XX	876.0	XX	XX
FAAS	125.2	XX	XX	125.2	XX	XX	125.2	XX	XX
Trust Fund	-0-	XX	XX	-0-	XX	XX	-0-	XX	XX

**COST SUMMARIES**

US Direct Hire

FN Direct Hire

US Contract Pers.

FN Contract Pers.

Housing Expense

Office Operations

Total Budget

Mission Allotment

FAAS

Trust Fund

FY 82 ABS  
OPERATING EXPENSES  
REVIEW AND JUSTIFICATION

Attachment one provides budget line item detail on current O.E. cost estimates for fiscal 1981 and estimates made in May, 1979 in the Mission FY 1981 ABS. The figures are not encouraging. There are cost increases across the board resulting from unanticipated personnel moves, procurement deferred in FY 1980 and the impact of inflation rates that are higher than expected.

As suggested in State 120186, OE costs are to a large degree a function of USDH staffing and personnel moves. As can be seen from budget lines 10 and 11 (post assignment travel and freight) of attachment one, it is personnel movements that account for a significant portion of the budget increase. The other two areas of major cost significance are education allowances and R/R travel. Education allowances have risen due to A) transfers of employees with no children at post while replacements are anticipated with school age children, B) increases in both the at-post and away-from-post education allowance rate set forth in the Standardized Regulations and C) the decision of one officer to send two children away from post for high school education and the anticipation that others with high school age children will do the same because of inadequate schooling at post. R/R costs will increase due to additional travelers, greatly increased air fares and a change in the designated R/R point for Maseru from Athens to Rome.

Foreign National salaries in FY 81 will be more than double the original estimate. In April this year the GOL announced sweeping salary increases ranging from 30 to 45 percent and the U.S. Embassy has scheduled a comprehensive wage survey to be performed in July. Already private sector employers have effected large salary increases to remain competitive and salary levels of the USG Combined Compensation Plan for Maseru will certainly rise significantly. The current FNDH salary budget anticipates salary increases of only 20 - 25 percent and this may prove to be a conservative estimate. Another important factor is the Mission intention to hire two FNDH TCN employees as early as possible in FY 81. Informal recruitment has already begun. Given the constraints to any increased USDH staff, the Mission will require experienced professional foreign nationals to properly manage an active program. Skilled Basotho manpower is a key constraint to economic development in Lesotho and many organizations have found the need to initially import professional talent to maintain operations while qualified Basotho are recruited and trained. The upcoming wage survey will, for the first time, establish a TCN pay plan as part of the Combined Compensation Plan. The Mission's efforts to staff key positions with top quality professional talent will be of critical importance for successful operations.

In the area of housing, anticipated cost increases are far less dramatic than those expected in the USDH and FNDH budget areas. The rental market for housing appears to be more stable than in the past and, with only one lease due for renegotiation in FY 81 and no new lease requirements, no significant cost increases are anticipated. Utility cost increases

continue to outpace the general inflation rate and expected costs for temporary lodging are up (again due to unanticipated personnel movements). The current budget projects a decrease in the residential maintenance line item of \$38,000 but this does not represent a decrease in the total budget sense. The Mission made the decision to continue to participate in the FAAS maintenance services contract in lieu of entering into a separate and parallel contract for this service. Therefore the reduction reflected in line 33 of attachment one is offset by the increase in line 58 (FAAS).

The only significant increase in the area of Mission Director costs deals with renovation of the Official Residence. Subsequent to the establishment of a full USAID Mission in Lesotho (effective 10/1/78), an AID owned residence was designated as the Official AID Residence at post. It was recognized at that time that the Residence would require renovation to be suitable for representation and to serve as the Official Residence and budget provisions were made in FY 80 for this work. However renovation had to be deferred due to budget constraints, hence this cost was not anticipated in the original FY 81 budget submission.

In the area of office operations significant cost increases are anticipated for the procurement of office furnishings and equipment and replacement of vehicles (budget lines 46 and 55). These increases are also attributable to procurement deferred in FY 80. The projected decrease in office maintenance of \$4,500 (line 59) are due to the continuation of the FAAS maintenance contract and are offset by FAAS cost increases.

Overall Mission FY81 allotment requirements of \$797,500 should compare favorably to other Missions' budget with comparable staffing and program levels. USAID/Lesotho is fortunate to have four AID owned residences and an owned office building. These investments are important factors in the Mission's ability to operate with relatively low operating expense budgets. Another important factor is the Mission's utilization of regional service organizations such as REDSO/EA, EAAC and the regional staff of USAID/Swaziland. Through the services of these offices the Mission is able to maintain an extremely small workforce without adverse impact on effective program management. Staffing levels of 10 USDH and 12 FNDH are viewed as minimum core levels with which to manage the FY 81 and the minimum FY 82 program level. Table nine indicates our firm belief that the Mission can manage higher program levels without higher personnel levels. This would not be possible in the short term without our regional support offices. In the long term, the program strategy of decreasing management units as assistance is targeted at the sector and sub-sector level, with a less fragmented focus, will permit even higher program dollar/personnel ratios.

Attachment two provides a ZBB ranking of 5, 10, and 20 percent reductions to the FY 81 budget. The process of developing management actions to deal with these budget reduction levels has been painful and hopefully the necessity to pursue budget reductions will not arise. Even the five and ten percent reduction levels reflect the severe personnel actions of delayed R/R and transfer travel. The twenty percent reduction level reflects even more drastic R/R delays and the postponement of procurement actions that have been sorely needed for years. These are severe steps that should be avoided in the interests of maintaining Mission morale and avoiding potential problems in achieving program objectives. In the area of procure-

ment in support of Mission operations, there comes a point where continual deferral of necessary equipment will result in reduced effectiveness. Our goal should be to maximize the efficiency of our field operations not to have them continue on a marginal basis.

Adequate support is designed and budgeted for in each development project that AID finances and this same level of emphasis should be accorded the AID management effort of the country program. If this is not done, the assistance effort will invariably suffer.

In looking ahead to FY 82 Operating Expense costs as outlined in Table VIII, an increase of 8.1 percent in total budget requirements is projected over FY 81. An increase in Mission allotment requirements of 9.8 percent is also projected. These budget increases are due primarily to the continuing impact of inflation. An inflation factor of 15 percent has been applied to all line items of procurement (goods and services). The most significant factor holding the budget increase below the rate of inflation is reduced home leave travel in FY 82 due to transfers in FY 81.

As noted earlier USDH and FNDH staff levels are constant from FY 81 to FY 82 and for the different FY 82 program levels outlined on table V. Given the Missions bilateral, regional and PVO pipeline projects plus the ongoing projects of the minimum package, it will not be possible to reduce direct hire staff below the on-board FY 81 level. However, it will be possible to manage additional program dollars beyond the FY 82 minimum program level with no increase in workforce. Of the seven management units shown in the AAPL and Proposed decision packages, only two activities would be new while the other five would be ongoing at the end of FY 81. Thus the Operating Expense costs of USAID/Lesotho would be largely unaffected by increased program investment in FY 82.

AGENCY FOR INTERNATIONAL DEVELOPMENT

MISSION USAID/LESOTHO

Page 1 of 3

OPERATING EXPENSE BUDGET DETAIL

Expense Category	Line No.	Object Class	Expenses Related To	FY 81 ABS		FY 82 ABS		Net Change
				Units	Amt.	Units	Amt.	
U.S. DIRECT HIRE	01	XXX			521.4		739.5	218.1
U.S. Citizens Basic Pay	02	110	USDH Workyears	10.0	328.4	10.5	367.4	39.0
Part-time, Temp. U.S. Basic Pay	03	112	USDH Workyears		-			
Differential Pay	04	116			32.8		30.9	( 1.9)
Living Allowances	05	118	USDH Workyears					
All other CODE II	06	119			1.5		1.5	-0-
Education Allowances	07	126	No. of Dependents	6	32.2	15	64.2	32.0
Retirement - U.S.	08	120			23.0		25.7	2.7
ALL Other CODE 12 - U.S.	09	129			7.6		9.4	1.8
Post Assignment - Travel	10	212	No. of Assignments		-	6	34.4	34.4
Post Assignment - Freight	11	22	No. of Assignments		-	6	97.0	97.0
Home Leave - Travel	12	212	No. of Assignments	5	31.0	3	26.7	( 4.3)
Home Leave - Freight	13	22	No. of Assignments	5	18.9	3	16.5	( 2.4)
Education Travel	14	215	No. of Movements	2	8.0	2	8.0	-0-
R & R Travel	15	215	No. of Movements	19	27.0	21	46.8	19.8
All Other CODE 215 Travel	16	215			11.0		11.0	-0-
FOREIGN NATIONAL DIRECT HIRE	17	XXX						
Basic Pay	18	114	FNDH Workyears	12.0	54.5	12.0	123.7	69.2
Overtime, Holiday Pay	19	115			1.0		1.0	-0-
All Other CODE II - FN	20	119						
All Code 12 - FN	21	129			4.1		7.1	3.0
Benefits for Former Personnel	22	13						
U.S. CONTRACT PERSONNEL	23	XXX						
PASA Technicians	24	258	Workyears					
U.S. Personal Serv. Cont. Salary & Benefits	25	113	Workyears					
All Other U.S. PSC Costs	26	255						
F.N. CONTRACT PERSONNEL	27	XXX						
F.N. Personal Serv. Cont. Salary & Benefits	28	113	Workyears	1.5	27.5	1.0	27.5	-0-
All Other F.N. PSC Costs	29	255						

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## OPERATING EXPENSE BUDGET DETAIL

Expense Category	Line No.	Object Class	Expenses Related to	FY 81 ABS FY 81 Units Amt.	FY 82 ABS FY 81 Units Amt.	Net Change
HOUSING	30	XXX		143.2	125.5	( 17.7)
Rent	31	235	No. of Res. Years	5.0	5.0	1.4
Utilities	32	235	No. of Res. Years	10.0	10.0	2.1
Renovation & Maintenance	33	259	No. of Res. Units	10.0	10.0	( 38.0)
Quarters Allowance	34	127	No. of Allowances	-	-	6.6
Purchases-Res. Furnishings & Equipment	35	311	No. of Sets	.5	.5	-0-
Transportation (Freight) for Code 311	36	22		1.5		-0-
Mission Director	XXX	XXX				
Rent	37	235				
Utilities	38	235		1.8	2.1	0.3
Renovation & Maintenance of Residence	39	259		6.3	16.8	10.5
Official Residence Allowance	40	254		1.8	1.8	-0-
Representation Allowance	41	252		1.8	1.2	( 0.6)
OFFICE OPERATIONS	42	XXX		193.4	322.1	128.7
Rent	43	234		-	-	
Utilities	44	234		7.0	7.9	0.9
Building Maintenance & Renovations	45	259		18.2	3.2	( 15.0)
Office Furniture & Equipment	46	310		9.5	32.5	23.0
Other Equipment	47	319				
Transportation (Freight)	48	22		.5	2.2	1.7
Communications	49	230		9.5	12.0	2.5
Security Guard Services (NON PSCs)	50	259		13.4	16.0	2.6
Printing	51	24		.8	.8	-0-
International - Operational Travel	52	210	No. of Trips	25	25	-0-
Domestic - Operational Travel	53	210		11.0	9.0	( 2.0)
Charter/Contract Transportation	54	259		-	-	2.0
Vehicles	55	312	No. of Vehicles	3	4	10.8
Transportation (Freight) for CODE 312	56	22	No. of Vehicles			
Supplies & Materials	57	26		16.0	25.6	9.6
FAAS	58	257		9.0	106.1	97.1
All Other CODE 25	59	259		13.0	8.5	( 4.5)

OPERATING EXPENSE BUDGET DETAIL

Expense Category	Line No.	Object Class	Expenses Related to	FY 81 ABS FY 81 Units Amt.	FY 82 ABS FY 81 Units Amt.	Net Change
TOTAL OPERATING EXPENSE BUDGET	60			940.0	1,338.3	398.3
RECONCILE by deducting from Line 60 amounts not funded from Mission Allotment (line 65)	XX	XXX				
Object Class II	61			362.7	399.8	
Object Class 12	62			30.6	34.5	
Net FAAS (from line 58)	63			9.0	106.1	
Other Deductions	64					
NET ALLOTMENT REQUIREMENTS	65			537.7	797.9	260.2
AID/W APPROVED BUDGET INCREASE (DECREASE)	XX	XXX				
	66					
	67					
	68					
	69					
	70					
OTHER INFORMATION	XX	XXX				
636(c) Requirements	71	32				
Administrative Reservations	72	XXX				
Trust Funded PSC's included in Lines 23&27	73	XXX	Workyears			
Program Funded PSC's	74	XXX	Workyears			
P.D. & S.Project: Obligs. for Proj. Design	75	XXX				

NET ALLOTMENT REQUIREMENT BY QUARTER - FY 1981:

- FIRST QUARTER: 285,445
- SECOND QUARTER: 163,389
- THIRD QUARTER : 185,239
- FOURTH QUARTER: 163,789

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ZBB RANKING OF  
FORCED O.E. BUDGET CUTS  
FY 81

O/C	ITEM	(\$000) INCREMENT	CUMULATIVE
	PROPOSED FY 81 MISSION O.E. BUDGET		797.5
	Defer procurement, one vehicle	8.5	
	Defer Official Residence Renovation	3.0	
	Defer residential maintenance	2.5	
	Reduce international Travel	9.4	
	Reduce PSC funding	6.9	
	Defer R/R	9.6	
	5% Reduction Increment	( 39.9)	757.6
	Reduce international travel	2.5	
	Delay transfer	31.0	
	Reduce education allowance due delayed transfer	6.4	
	10% Reduction Increment	( 79.8)	717.7
	Defer procurement, one vehicle (Truck)	12.3	
	Defer procurement, office generator system	25.2	
	Defer procurement, supplies	2.4	
	Defer residential maintenance	1.2	
	Defer hiring of FNDH	8.0	
	Reduce international travel	8.1	
	Defer R/R	14.4	
	Reduction, security guard services	8.1	
	20% Reduction Increment	(159.5)	638.0





TABLE X SPECIAL CONCERNS  
ADDITIONAL PROJECTS

PROJECT NUMBER AND TITLE	APPROP	CONCERN CODE		FY 1980	FY 1981	FUNDING FOR SPECIAL CONCERN (\$000)		
		PRIME	SUB 1/			MINIMUM	FY 1982	
							CURRENT	AAPL
0065 Farming Systems Research	ARDN	ENVR	1	1170	1588	990	0	270
"	"	WID		130	177	110	0	30
0069 Manpower Development	EH	ENVR	1	180	340	290	0	0
"	"	WID		180	340	290	0	0
"	"	ENER		90	170	145	0	0
0216 Rural Access Roads	ARDN	WID		0	466	380	0	100
0218 Agriculture Planning	ARDN	WID		104	91	71	0	0

1/ Use only for Environment Activities

TABLE XI  
 Country: LESOTHO  
 P.L. 480 TITLE II - SECTION 206 REQUIREMENTS  
 (Dollars in Millions, Tonnage in Thousands)

COMMODITIES	FY 1980			Estimated FY 1981			Projected FY 1982					
	Agreement \$ MT	Shipments \$ MT	Carry into FY 1981 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1982 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1983 \$ MT			
<u>Title I</u>												
Total												
Of which Title II - SECTION 206												
Wheat							4,050	15	1,350	5	2,700	10
Corn							1,400	5	280	1	1,120	4
Total							5,450	20	1,630	6	3,820	14

COMMENT:

FY 1982 ANNUAL BUDGET SUBMISSION  
PROJECT BUDGETS AND OBLIGATIONS  
TO MEET SPECIAL CONCERNS  
(THOUSANDS OF DOLLARS)

TABLE A

DECISION UNIT: 632 LFSUTHU

PROJECT NUMBER AND TITLE: 6220048 LAND AND WATER RESOURCES DEVELOPMENT APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1980 - \$ 42 BUDGET IN ABS: FY 1980 - \$ \_\_\_\_\_  
 FY 1981 - \$ 0 FY 1981 - \$ \_\_\_\_\_  
 FY 1982 - MINIMUM: \$ -0- CURRENT: \$ -0- APPL: \$ -0-

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	SUB- CONCERN CODE	1980 RUDGET IN CP	1980 RUDGET IN ABS	1981 RUDGET IN CP	1981 RUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	APPL:
1466	ENVK 4	\$ 17	\$ _____	\$ 0	\$ _____	\$ -0-	\$ -0-	\$ -0-

PROJECT NUMBER AND TITLE: 6320058 RURAL HEALTH DEVELOPMENT APPROPRIATION: HEALTH

A. BUDGET IN CP: FY 1980 - \$ 304 BUDGET IN ABS: FY 1980 - \$ \_\_\_\_\_  
 FY 1981 - \$ 550 FY 1981 - \$ \_\_\_\_\_  
 FY 1982 - MINIMUM: \$ 495 CURRENT: \$ -0- APPL: \$ -0-

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	SUB- CONCERN CODE	1980 RUDGET IN CP	1980 RUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	APPL:
1466	MTU	\$ 40	\$ _____	\$ 72	\$ _____	\$ 64	\$ -0-	\$ -0-

FY 1982 ANNUAL BUDGET SUBMISSION  
 PROJECT BUDGETS AND OBLIGATIONS  
 TO MEET SPECIAL CONCERNS  
 (THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 6320661 INSTRUCTIONAL MATERIALS RESOURCE CENTER APPROPRIATION: EDUCATION AND HUMAN RESOURCES

A. BUDGET IN CP: FY 1980 - \$ 664 BUDGET IN ARS: FY 1980 - \$ 1484  
 FY 1981 - \$ 600  
 FY 1982 - MINIMUM: \$ 391 CURRENT: \$ -0- APL: \$ -0-

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	SUB- CONCERN CODE	1980 BUDGET IN CP	1981 BUDGET IN CP	1982 BUDGET IN ARS	1981 BUDGET IN ABS	1982 BUDGET IN ABS	MINIMUM	CURRENT	APPL
1553	WID	\$ 27	\$ 594	\$ 24	\$ 260	\$ 156	\$ -0-	\$ -0-	\$ -0-

PROJECT NUMBER AND TITLE: 6320664 LESUTHU AGRICULTURAL ANALYSIS APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1980 - \$ 1040 BUDGET IN ARS: FY 1980 - \$ -0-  
 FY 1981 - \$ 0  
 FY 1982 - MINIMUM: \$ -0- CURRENT: \$ -0- APL: \$ -0-

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	SUB- CONCERN CODE	1980 BUDGET IN CP	1981 BUDGET IN CP	1982 BUDGET IN ARS	1981 BUDGET IN ABS	1982 BUDGET IN ABS	MINIMUM	CURRENT	APPL
654	ENVR	\$ 104	\$ -0-	\$ 0	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

FY 1982 ANNUAL BUDGET SUBMISSION  
PROJECT BUDGETS AND OBLIGATIONS  
TO MEET SPECIAL CONCERNS  
(THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 6320080 NATIONAL UNIVERSITY OF LESOTHO APPROPRIATION: EDUCATION AND HUMAN RESOURCES

A. BUDGET IN CP: FY 1980 - \$ 0 BUDGET IN ABS: FY 1980 - \$ \_\_\_\_\_  
 FY 1981 - \$ 1000 FY 1981 - \$ \_\_\_\_\_  
 FY 1982 - MINIMUM: \$ -0- CURRENT: \$ -0- APPL: \$ 745

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP	SUB-	1980 BUDGET	1981 BUDGET	1982 BUDGET IN ABS	APPL:
ITEM	CONCERN CODE	IN CP	IN CP	MINIMUM:	CURRENT:
040	WID	\$ 0	\$ 300	\$ -0-	\$ -0-
					\$ 224

PROJECT NUMBER AND TITLE: 6320088 RURAL WATER AND SANITATION APPROPRIATION: HEALTH

A. BUDGET IN CP: FY 1980 - \$ 1196 BUDGET IN ABS: FY 1980 - \$ \_\_\_\_\_  
 FY 1981 - \$ 2000 FY 1981 - \$ \_\_\_\_\_  
 FY 1982 - MINIMUM: \$ 3,200 CURRENT: \$ -0- APPL: \$ 560

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP	SUB-	1980 BUDGET	1981 BUDGET	1982 BUDGET IN ABS	APPL:
ITEM	CONCERN CODE	IN CP	IN CP	MINIMUM:	CURRENT:
1420	ENVR	\$ 598	\$ 1000	\$ 3,200	\$ -0-
					\$ 560

FY 1982 ANNUAL BUDGET SUBMISSION  
PROJECT BUDGETS AND OBLIGATIONS  
TO MEET SPECIAL CONCERNS  
(THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 6320215 LAND CONSERVATION AND RANGE DEVELOPMENT APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1980 - \$ 1640 BUDGET IN ABS: FY 1980 - \$ 2090  
 FY 1981 - \$ 2250 FY 1981 - \$ \_\_\_\_\_  
 FY 1982 - MINIMUM: \$ 2200 CURRENT: \$ -0- APL: \$ -0-

H. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	SUB- CONCERN CODE	1980 BUDGET IN CP	1981 BUDGET IN CP	1982 BUDGET IN ABS	1982 BUDGET IN ABS	MINIMUM CURRENT	APPL
2647	ENVK 3	\$ 1690	\$ 2250	\$ 2200	\$ -0-	\$ -0-	\$ -0-

## FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XII

COUNTRY: LESOTHO

PL 480 TITLE I/III

Supply and Distribution  
(000 Metric Ton)

<u>STOCK SITUATION</u>	<u>FY 1980</u>	<u>Estimated FY 1981</u>
<hr/>		
Commodity - <u>Wheat</u>		
Beginning Stocks	UNKNOWN	UNKNOWN
Production	65	70
Imports	75	97
Concessional	3	4
Non-Concessional	72	93
Consumption	120-140	140-165
Ending Stocks	UNKNOWN	UNKNOWN
<hr/>		
Commodity - <u>Corn</u>		
Beginning Stocks	UNKNOWN	UNKNOWN
Production	70	90
Imports	80	85
Concessional	11	14
Non-Concessional	69	71
Consumption	140-150	165-175
Ending Stocks	UNKNOWN	UNKNOWN
<hr/>		
Commodity - <u>Rice</u>	NONE	
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		

Comment: Statistics on production, importation and consumption are extremely difficult to obtain due to inadequate reporting systems and are of questionable reliability at best.

Estimations above are based on limited statistical information available, plus consultation with technicians in the field and personal observations.

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country LESOTHO

Sponsor's Name CRS

A. Maternal and Child Health.....Total Recipients 144,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>144</u>	<u>NFDM</u>	<u>3456</u>	<u>1,448,064</u>
<u>144</u>	<u>BULGUR</u>	<u>3975</u>	<u>1,029,525</u>
<u>144</u>	<u>SOYA OIL</u>	<u>1728</u>	<u>1,719,360</u>
<b>Total MCH</b>		<b>9159</b>	<b>4,196,949</b>

B. School Feeding.....Total Recipients \_\_\_\_\_

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<b>Total School Feeding</b>		_____	_____

C. Other Child Feeding.....Total Recipients \_\_\_\_\_

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<b>Total Other Child Feeding</b>		_____	_____

D. Food for Work.....Total Recipients 57,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>57</u>	<u>SOYA OIL</u>		<u>340,290</u>
<u>57</u>	<u>CORNMEAL</u>	<u>3105</u>	<u>869,400</u>
<u>57</u>	<u>FLOUR</u>	<u>3105</u>	<u>838,350</u>
<b>Total Food for Work</b>			<b>2,048,040</b>

E. Other (Specify).....Total Recipients \_\_\_\_\_

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<b>Total Other</b>		_____	_____

II. Sponsor's Name CRS

GRAND TOTAL 6,244,989

## PL 480 NARRATIVE

INTRODUCTION

The proposed PL 480 program addresses basic human needs through nutrition assistance to the most vulnerable groups. It also addresses the economic dependency and employment problems through food for work, both as a separate activity and in conjunction with our conservation and range management projects.

The Sec. 206 portion of the program would be utilized in promoting both crop and animal production. This would be accomplished by providing inputs necessary, but generally unavailable, in amounts required to stimulate production in these two important areas.

Harvest yields of maize, wheat and sorghum, which are the staples produced in Lesotho, fluctuate greatly from year to year. Generally they account for 45-55 percent of Lesotho's needs. For FY 80 total wheat production is estimated at 65,000 metric tons. Maize production for the same period is estimated at 70,000 metric tons. Wheat imports for FY 80 are estimated at 75,000 MT, with maize imports estimated at 80,000 MT.

Assuming that weather conditions are normal in the 1980-81 cropping season, estimated imports for wheat and maize will be 97,000 MT and 85,000 MT respectively.

The Government of Lesotho has given increased self-sufficiency in food production high priority. About one fourth of total government expenditure is devoted to agriculture and rural development, with area development projects and marketing as the primary focus. Wheat and maize, in turn, have been a primary concern of the area development projects. Different approaches to increased production are being tried. In some areas the government has attempted mechanization on large plots. In others, they are trying to increase small farmer outputs through increased and improved inputs, extension services, and improved marketing. During the Third Five Year Plan which commenced April 1, 1980 the GOL intends to focus increasingly on small-holder production.

While the potential exists for increased food production, prospects for the short to medium term are not encouraging. Working against the government and donor development efforts are rapid erosion and declining soil fertility, risky natural environment (especially unreliable rainfall) and its consequences for farmer incentives, the presence of external employment opportunities which create an important disincentive in the form of high opportunity cost to agricultural labor, and the lack of infrastructure, especially extension services, markets, and transportation.

TITLE II - VOLUNTARY AGENCY

Administered by CRS, a key goal of this part of the Title II program is to improve or maintain the nutritional status of the pre-school children in Lesotho who are considered to be a high risk group in nutritional terms. This is presently being done through a network of 64 pre-school clinics and

82 outstations serviced by the clinics for a total of 146 centers which provide (1) basic health care, (2) immunization, (3) health and nutrition education, (4) weight records, and (5) distribution of food supplements.

The centers and outstations reach approximately 75,000 children annually, providing NFDM, bulgur wheat, oil and health services to these children and their mothers.

The Government of Lesotho has stated officially that this program, which has been operating since 1966, has "improved significantly the nutritional status of vulnerable groups and acute malnutrition is no longer a problem." This is considered to be somewhat optimistic and children do remain in the "at risk" category. For instance, while the program is focused primarily in the lowland areas, it is in the mountainous area where the children are at most risk and the incidence of malnutrition are highest. Efforts to reach these children continue to be hampered by transportation and storage difficulties. Accordingly, USAID (and the GOL) believe that the program should be continued and a more comprehensive assessment be made in the near future.

CRS also administers a food for work program in support of soil and water conservation activities which address the serious problem of Lesotho's decreasing crop productivity due to rampant soil erosion, loss of soil fertility and recurrent drought. These activities are related to the government's drive for increased food production through improved land utilization. They are undertaken in conjunction with the division of soil conservation in the Ministry of Agriculture and with the Ministry of Rural Development. The FFW programs do represent a dependence on foreign food resources but are directed to lessening such dependency in the future and to improving the diets of thousands of Basotho in the meantime.

The number of workers participating in FFW activities under the CRS program for which program requests are being made in FY 81 and FY 82 is 11,400.

## TITLE II (SECTION 206)

There is significant potential for considering a Title II Section 206 program for Lesotho possibly in concert with the USAID project in Land Conservation and Range Management. This would provide some useful additional resources to assist in accelerating adoption of policy measures and programs to rationalize livestock and agricultural production. Sec. 206 commodities would be used to help stimulate an eventual increase in cereal and meat production and distribution. The processing of wheat would serve to support Lesotho's efforts in developing greater self-sufficiency in grain processing by supplementing the domestic supply and keeping the recently completed flour mill near to full operating capacity. Corn would be used on a limited short term basis to provide feed for feed lot operations being developed in part to complement the abattoir being constructed with Danish aid funds.

The revenues generated from Sec. 206 sales would be used to develop (1) improved food processing and distribution capabilities and (2) further the conversion of livestock from a factor of wealth to a factor of production and income.

A possible additional use of funds generated by the sales program would be to purchase handtools as well as improved seeds and fertilizers for distribution to participants in FFW programs in an effort to encourage greater reliance on agricultural production on farms and garden plots.

The Section 206 grant will supply both corn and wheat. Existing baking and distribution networks will be used for wheat distribution. The corn will be stored and processed at a new modern maize mill now under development adjacent to the flour/silo complex in Maseru. With the maize and the flour mills to be located side by side, using common silo and management facilities, a feed stuffs factory is also under consideration for the site. The factory will, of course, create local employment and substitute locally produced stuffs for the \$1.2 million in animal feed stuffs now imported annually.

## CATHOLIC RELIEF SERVICES - LESOTHO

P.O. Box MS 159  
Maseru. Lesotho.

PROGRAM PLAN OF OPERATION: FY 81,82,83

## ELEMENTS OF OPERATION

## IDENTIFICATION

Name of Agency: Catholic Relief Services  
United States Catholic Conference

Name of Country: Lesotho

Date Submitted:

Representative: Catholic Relief Services - USCC is represented  
in Lesotho by:

Dennis O'Brien, Program Director  
Catholic Relief Services - USCC  
P.O. Box MS 159  
Maseru. Lesotho.

The program director of the CRS/Lesotho program is responsible for all activities including PL.480 Title II and funded projects.

## Supervisory Staff for Title II - Present

Program Assistant	1 U.S.
Nutrition Supervisor	1 U.S.
Senior Shipping Clerk	1 Mosotho
Shipping Clerk	1 Mosotho
Pre-school Clerk	1 Mosotho
Pre-school Supervisors	3 Basotho
End Use Checker	1 Mosotho
Support Staff	5 Basotho

In addition, CRS/Lesotho intends to hire:

Pre-school Supervisor	1
Support Staff	2 in FY 80

It is expected that with this additional staff, expanded program activities at the level described below can be properly administered.

No staff expansion is planned for FY 82 or 83.

## B. AREA, SCOPE, CONDITIONS OF OPERATIONS

Lesotho is considered one of the poorest countries in Africa. Its per capita GNP is about \$264. It is a mountainous, temperate, treeless country with only 17% of its land arable. Erosion of all types is a severe problem. Food grain productivity in Lesotho is stated to have declined over the past ten years.

The average family size is between five and six people, normally with one male member in South Africa, probably working in the mines. As a miner he is away from the family for extended periods of time, thus the responsibility for day to day living is solely on the women of the family. The population of the country is estimated at 1.2 million. Because of the low percentage of farmable land, Lesotho is a food-importing nation whose families are dependent on small remittances from their mining members to cover the cost of the food deficit.

The Government of Lesotho development plans have taken these factors into account and a plan has been developed to increase agricultural production, increase industry and provide better social services.

CRS has been active in supporting programs in Lesotho since Lesotho's independence. CRS' particular goal is to help the poor and needy through programs designed to enhance the quality of life. CRS recognizes a special obligation to improve the nutritional status of the pre-school children of Lesotho as an immediate action program. CRS also recognizes the need to support activities for the poor which have as their goal socio-economic development.

Under PL.480 Title II CRS has supported:

- (1) Area-wide pre-school nutrition programs and
- (2) Area-wide Food For Work development activity with the goal of retaining Lesotho's limited land resources as well as improving access tracks.

The specific food activities are described below.

**Maternal Child Health/Pre-school Nutrition Program: Area, Scope, Conditions of Service.**

According to the Lesotho/UNICEF Joint Evaluation of the Needs of Women and Children published in October, 1976, it is noted that "...dimensioning nutritional problems which affect women and children is at the present time impossible since reliable baseline data has not been collected since the Munoy and Anderson report in 1960." There are a number of studies that have been conducted since the publication of this report but the details have not been officially released yet. There are indications that in spite of the pre-school program there are still 23% of the children in Lesotho suffering from chronic P.C.M.

It is recognized that the pre-school child is generally in the most vulnerable group and it is also true in Lesotho. It is also considered that the pre-school program in Lesotho which has been operating since 1966 has "... improved significantly the nutritional status of vulnerable groups and acute malnutrition is no longer a problem." (WFP/CFA 4/12 Add 5)

Although the appropriate information from the 1976 population Census Report has not yet been published, it is estimated that there are around 200,000 pre-school children in Lesotho between the ages of 0 and 5. This is a rough figure.

CRS' response to this situation is to continue the pre-school food and nutrition program so that the nutritional status of the children presently enrolled in the program is either maintained in the above risk category or improved so that they enter this category. In addition to that, it is CRS' long term intention to expand the activity so that the percentage of at risk children in the 0 to 5 age group decreases in the forthcoming years.

The program goal is to improve or maintain the nutritional status of the pre-school children in Lesotho. This is presently being done through a network of 64 pre-school clinics and 82 outstations serviced by the clinics for a total of 146 centers which provide:-

- (1) Basic health care,
- (2) Immunizations,
- (3) Health and nutrition education,
- (4) Weight records and
- (5) Distribution of food supplements.

The centers and outstations are reaching approximately 75,000 children annually, providing NFDM, bulgur, and oil for the children and the mothers. The children and their mothers visit the clinics once a month. They must travel to the clinic an average of three hours although 20% travel between four and eight hours and 21% travel more than eight hours.

The centers are solely self-supported by local contributions of R0.40 to R0.60 per child per monthly visit. This money is used to pay recurring expenditures.

The centers are staffed by nurses and are capable of providing immunizations and basic health care. In those cases where the medical attention required is beyond the clinic's scope, the nurse refers the child.

Through this structure CRS has been able to reach on the average 75,000 children annually based on attendance figures in December, 1979. Despite manpower supply and travel problems it appears, therefore, that the targetted AER level will be reached in FY-80 barring any unforeseen shipping problems.

The CRS/Lesotho program is to emphasize pre-school nutrition rather than pre-school health but realizes that access to preventative and curative health care is a necessary adjunct to the program. CRS/Lesotho has therefore implemented from its previous program plan or plans to implement the following:-

- (1) CRS/Lesotho has introduced a growth surveillance system for the pre-school program, using Master monthly report, and an individual Growth Surveillance Chart.

The purpose of this (inclusive) system is to provide CRS with administrative information on the status of the children in the pre-school clinics and with an administrative record of the distribution and utilization of food supplements. The introduction of the full system was initiated in October, 1978 under a generic grant to the CRS Sub-Sahara Africa Regional Office, OTR 1567. At present, 30% of the clinics are using this chart, covering approximately 35,000 children. It is estimated that 55,000 children will be using this chart by the end of FY-80.

(2) CRS pre-school supervisors continue the education process for center-level staff, i.e. nurses and helpers. It is felt that the keys to the program lie with the education of the helpers so that when the children are weighed each month, the helper doing this cannot only accurately record the weight but can also give the mother some individual consultation prior to seeing the nurse.

(3) In keeping with USAID recommendations, ration rates were increased in FY-79 to help meet MDRs.

(4) In those instances where children are not improving nutritionally, it is proposed that three or four clinics experiment with a program of increased contact and distribution of the ration on a weekly or bi-weekly basis rather than on a monthly basis.

(5) To provide adequate remuneration to staff and to obtain additional resources for the maintenance of mountain programs, the recipients contribution was raised from 25 to 30 cents to about 50 cents.

(6) Agreements between individual clinics and CRS are being re-signed at the present time. Although it was not feasible to provide every mother with a written agreement enumerating her responsibilities while attending the clinic, the clinic staff have been explicitly directed to explain these responsibilities to the mothers. The idea of a contractual agreement between the mother and the center is being emphasized.

(7) The centers during the training are educated in the preparation of a food exhibit so that the mothers can be taught some knowledge of local food equivalencies.

(8) Pregnant and lactating mothers as a category will be eliminated altogether.

(9) It should be noted that another 3,00 beneficiaries are requested. CRS has had discussions with Dr. Ngakane of the Lesotho Flying Doctor Service which sponsors nine mountain clinics. It is anticipated that these additional children would be enrolled in these clinics in the mountain area.

Pre-school Nutrition Program: Overall Objectives of the Program

Overall Objective of the Program:

To provide commodity assistance to 75,000 pre-school children and 60,000 mothers to improve or maintain the nutritional status of pre-school children and basic nutrition education of local food equivalency to their mothers through a locally supported pre-school food and nutrition program.

The pre-school food and nutrition program is based on two agreements. One between the center and CRS and the other between the center and the family of the child which is enrolled in the program. The agreement between the center and CRS establishes the terms and the steps of the pre-school food and nutrition program.

It requires that food commodities will be utilized by the center at rates that are economically, nutritionally and educationally meaningful. It requires that there be an accurate and dependable scale, that there be an individual record for the child which is kept by the mother and is his ticket and that there be a master chart for the center that forms part of the record submissions to CRS for administrative purposes.

CRS on its part commits itself to provide the center with PL.48o Title II resources that are available for the number of authorized children enrolled in the center and to make sure that a suitable growth surveillance system is available and is operated in association with the delivery of the food supplements. The Growth Surveillance Chart, being the instrument by which the program workers verify the families' adherence to the agreement must have some particular features:

1. It must be intelligible to rural and illiterate parents and
2. It must be easily handled and interpreted by unprofessional workers.

The distributors commit themselves to

1. Deliver to the family the supplementary rations,
2. Inform the parents of the terms of the agreement,
3. Instruct the parents on home equivalents,
4. Instruct the parents on major illnesses and other nutrition-related conditions and advise them on prevention or treatment,
5. Interpret the data on the chart, share it with the children's parents and use it as evidence of commitment to the agreement.

The agreement between the center and the family is as follows:

1. That the parents feed the child the supplementary foods received at the center or the home equivalents of these foods as an addition to the usual diet, making sure that the child obtains an adequate food intake during the program period.
2. That the parents, as far as they are able, keep their child free, through prevention or prompt treatment, of major diseases, infections and parasitic illnesses and other nutrition-related conditions.
3. That both the parents and distributors accept that an adequate rate of growth as assessed through the Growth Surveillance Chart is sufficient evidence that the parents are carrying out the first two points.

Since most of the centers are clinics, their management also has a commitment to carry out curative and preventive health measures such as immunizations, which apply not only to children enrolled in the program but to all children in their service ages. They also have the responsibilities separate from their agreement with CRS, that any health center in Lesotho would have to adhere to the justifiable requests of the Government of Lesotho.

Benchmark Indicators

1. Evaluation of the information from the Growth Surveillance System
2. RSR reports on the number of children reached.
3. Pre-school supervisors' reports on the education of the mothers regarding local food equivalency.

### Important Assumptions

1. The GSS will continue to be accepted by the clinics
2. Clinic staff will be paid an appropriate salary.
3. Requested commodities in proper amounts will be available at distribution sites.
4. Funds will be available for program expansion in mountain areas
5. CRS staff will introduce food exhibits in the clinics.

The program is country wide, however, the mountainous areas of the country suffer proportionately from less coverage. Reports indicate that chronic P.C.M. in the pre-school category is 18% in the lowlands and 25% and above in the mountain areas. Attempts will be made to give greater attention to the mountain areas.

The normal distribution method is in dry form once a month when the mother takes her child to a clinic for the weighing, nutrition demonstration lecture as well as health services.

#### Pre-school Nutrition Program:

	<u>NFDM (KG)</u>	<u>BULGUR</u>	<u>OIL</u>
Number of children: 78,000	2.0	2.3	1
Number of mothers: 66,000	2.0	2.3	1

The NFDM ration of 2 kg is used in order to utilize the 2 kg packet of NFDM that is now available.

<u>Annual Estimate of Commodities:</u>	3456 MT	3974 MT	1728 MT
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#### TENTATIVE MULTI-YEAR PLAN

#### Pre-school Nutrition Program

	<u>FY-81</u>	<u>FY-82</u>	<u>FY-83</u>
Number of children	78,000	78,000	78,000
Number of mothers	<u>66,000</u>	<u>66,000</u>	<u>66,000</u>
Total	144,000	144,000	144,000

No increase in levels are anticipated between FY-81 and FY-82. However, should circumstances permit expansion into mountain areas it is possible that much activity would call for a request to increase recipient levels. It is anticipated that between FY-81 and 82 the maximum beneficiary level will be reached that the program can effectively manage, with the present institutional constraints.

Anticipating this, CRS/Lesotho is addressing the question of greater selectivity in regard to child registration criteria and geographic distribution of the centers.

<u>Pre-school Program</u>	<u>FY-81</u>	<u>FY-82</u>	<u>FY-83</u>
NFDM	3456	3456	3456
BULGUR	3974	3974	3974
OIL	1740	1740	1740

## FOOD FOR WORK: AREA - SCOPE - CONDITIONS OF OPERATIONS

Lesotho, because of its mountainous terrain and rainfall patterns, suffers from serious erosion problems. At the same time, access for villages off the main roads is difficult and time consuming.

Food For Work projects through CRS are used primarily to attack these problems throughout Lesotho. CRS proposes a program for 8,775 workers.

It should be noted that although this represents the actual number of workers, the number of workers requested on the AER will be 11,400 since the number of working periods will be equivalent to sixteen months, thus in effect, increasing the number of workers in the twelve month AER period. This is an increase from the 9500 requested FY-79.

1. Soil and water conservation projects supported with food aid are directed to the serious problem of Lesotho's decreasing crop productivity, due to rampant soil erosion, loss of soil fertility and recurrent drought. All such projects are related to the government's drive for increased food production through improved land utilization. FFW activities not only achieve significant steps in their drive but also provide thousands of workers and their dependents with nutritious foods to supplement their generally meagre diets. Lesotho is presently in the undesirable position of being a net importer of food, mainly from the Republic of South Africa. The FFW program also represents a dependence on foreign food resources but is directed to lessening such dependency in the future and to improving the diets of thousands of Basotho in the meantime. The types of soil and water conservation projects supported by the CRS program include the following (project activity is primarily carried out by the Ministry of Rural Development).
  - (a) Irrigation: land clearance, construction of diversion/drainage furrows, digging of pipe trenches, grassing waterways.
  - (b) Gully Control and reclamation: construction of stone silt traps stone packing of gully heads, grass and tree planting.
  - (c) Dam construction and spillway repairs.
  - (d) Catchment protection: where possible FFW activities are planned as small-scale integrated schemes for a whole catchment area, rather than unconnected, scattered projects.
2. Road projects supported with food aid from CRS are directed chiefly to the repair of secondary roads and mountain tracks, which are vital to maintaining the flow of goods and services from the comparatively urbanized townships in the lowlands to the remote mountain villages. Lesotho is subject to heavy summer rains sometimes resulting in flood conditions and to snowfalls in the winter which cause a great deal of damage to mountain-traversing roads and tracks. These projects are under the supervision of various missions or the Ministry of Rural Development.
3. Community development projects supported with food aid include several miscellaneous types of projects that do not fall under the categories of conservation or road work. There are usually initiated by local community groups, missions or schools whose enthusiasm for self-help development projects should be encouraged. Clinic and school construction enter projects, communal or school garden projects, fish pond construction and various other activities employ labour on a food-for-work basis while materials are obtained from other sources, often with local cash contributions.

## OVERALL OBJECTIVES

- (1) Soil conservation: stabilize erosion through construction of silt traps, waterways, dams, diversion furrows, tree planting and graded contour furrows.
- (2) Improve and maintain access to isolated villages.
- (3) Construct facilities for community use.

## BENCHMARK INDICATORS

- (1) Support of 5,725 volunteer workers engaged in soil erosion control activities. Because the nature of work for erosion control varies tremendously from site to site, and because normative information is not available, it is difficult to specifically estimate project output. However, concentration of activity will be primarily on construction of silt traps and based on the construction of one silt trap per work group of fifty people per month, CRS estimates that 1830 silt traps can be constructed.
- (2) Roads , Employment of 1500 workers on the maintenance and upgrading of existing road projects.
- (3) Community development projects: employment of 1550 workers on community development and fish pond projects.

## IMPORTANT ASSUMPTIONS

- (1) That the need for FFW projects will not decrease
- (2) That people, primarily women, will continue to work for FFW.
- (3) That the Ministry of Rural Development will utilize the workers allotted to it.

## B.3 THE PROGRAM WILL BE COUNTRY-WIDE

## B.4 DISTRIBUTION METHOD

- (1) All FFW project run on the basis of a 15 day work period
- (2) Workers' Regulations.
  - (a) Workers must be physically able to work and over 15 years of age;
  - (b) Workers must possess work tickets issued by the Government of Lesotho and stamped by CRS;
  - (c) No more than one worker from a single family may be selected for a project;
  - (d) No worker may be selected who received supplementary foods from any other source;
  - (e) No worker may participate in more than one work group per month nor receive more than one work period's ration per month;
  - (f) Every worker is responsible to the work group foreman assigned by the Ministry of Rural Development, the Ministry of Agriculture

B.4 DISTRIBUTION METHOD (CONT) (f) (Cont)

or other participating agency;

(g) Every worker is required to work for a minimum of 15 days in the month(s) for which he or she is selected;

- (3) Food is distributed at the end of every 15 day work period and the Ministry of Rural Development Food Stores Assistants supervise the rationing of workers. The rations will be fifty pounds of cornmeal, 5.5 pounds of Oil and fifty pounds of wheat flour per person per work period.
- (4) None of the food may be sold or exchanged but must be consumed by the recipient and his or her dependents. Violation of this rule may result in the confiscation of such food, revocation of the offender's work ticket, public prosecution and closure of the project.
- (5) MINRUDEV's District Community Development Officers, Ministry of Agriculture's Soil Conservation Division and Fisheries Department and various agencies' project managers are directly responsible for the organization and supervision of FFW activities under their respective programs.
- (6) All empty bags that contained CRS imported food (except paper bags) are returned to the government storehouses and kept for rebagging food from torn bags. At present no bags are being sold.
- (7) Oil containers are sold and the proceeds help pay for rat poison, insecticides and extra plastic bags.

(8) FFW	FY-80	FY-81	FY-82
Number of Workers	11,400	11,400	11,400
Number of Beneficiaries	<u>45,600</u>	<u>45,600</u>	<u>45,600</u>
	57,000	57,000	57,000
FFW	FY-80	FY-81	FY-82
Cornmeal	3102 MT	3102 MT	3102 MT
Flour	3102 MT	3102 MT	3102 MT
Oil	342 MT	342 MT	342 MT

According to the previous program plan CRS/Lesotho was progressing for 10,000 workers for 12 periods in FY-80.

On review of the program, the work activities are continuous, with work groups rotating after each 3 week period, thus there are 16 work periods in the year. In order for CRS to plan for this continuous work activity it is necessary to raise the number of workers from 10,000 to 11,400, making the total number of workers and beneficiaries 57,000 rather than 50,000.

These are estimates of both numbers of workers and ration rates. If, for example, work availability drops off in South Africa, it may be expected that FFW activity will increase.

The ration rate provided is not sufficient for full maintenance of the family nor in regard to the local economic value is the compensation

sufficient to engender high or even normal productivity. Consideration is being given to possibly increased ration rates to increase productive work since the volunteer worker receives only the food as an incentive for this work.

#### B.5 COOPERATION OF PARTICIPATING GOVERNMENTS

- (1) "Self help efforts have created amenities and infrastructure in rural areas that have notably increased the well-being of the people. Construction of feeder road tracks, footbridges, water supplies, conservation works vegetable gardens, fish ponds, sanitation facilities and community centers constitute a major achievement in the First Plan. Many of these projects were assisted by Food Aid... The level of assistance for self-help community development projects will increase in the next five years. Work will be concentrated in selected areas that have growth potential. The overall objective will continue to be motivation of village communities to initiate and participate in development activities in order to improve their standard of living. The communities will be encouraged to engage in self-help projects and in integrating their efforts with ministries and voluntary agencies....

Food Aid will be used to employ labor for catchment protection, gully control, grass planting, construction of contour banks, repair of dam spillways, tree planting, irrigation schemes (including land clearance, drainage, and furrows) and fish pond construction. The value of food to be used to pay the workers in these conservation schemes is \$9,132,400. The unquantified benefits to the workers' families in terms of improved nutrition is considerable." (Lesotho Second Five Year Plan, pp 123-124).

Ministry of Rural Development (MINRUDEV, formerly the Department of Community Development of the Ministry of the Interior) has overall responsibility for administering the FFW activities supported with CRS imported PL. - 480 food. In effect, since July 1, 1974 the system has been that CRS sponsors general conservation projects and WFP sponsors primarily road construction land maintenance projects, although exceptions are made for some CRS support for road repair.

- (2) The Lesotho Government has agreed to prohibit the possession of donated commodities by anyone other than eligible recipients and to take disciplinary action as necessary to discourage and to the best of its ability to prevent misuse, misappropriation and diversion of relief supplies.
- (3) CRS supports the program in Lesotho under a direct agreement with the government. The Government of Lesotho provides warehousing for all commodities and transportation of commodities to FFW project sites. Moreover, since the government has limited financial resources, it cannot increase either storage availability or transport as would be needed even for ongoing needs of the project without withdrawing assistance it has committed to other, equally important, projects.

The project enjoys the full support of the Government of Lesotho.

#### B.6 ARRANGEMENTS TO AVOID DUPLICATION OF DISTRIBUTION

Both CRS and WFP provide commodities for programs in Lesotho. CRS is primarily responsible for programs in the 0 to 5 age group while WFP accepts programs for the school activities at primary, secondary and higher levels. Thus there is no duplication between these programs.

Both CRS and WFP provide commodity assistance for FFW. The allocation of activities is clearly divided by the Ministry of Rural Development and separate cards are issued. Thus there is no duplication between the CRS and WFP programs.

#### CONTROL AND RECEIPTING

Title II foods are shipped from the United States to Lesotho via East London and Durban ports in the Republic of South Africa. Certificates required by the Department of Customs and Excise for duty-free entry are obtained by CRS in Lesotho and forwarded to our agents at the ports who submit these to the appropriate South African authorities. Account of offloaded commodities is recorded by an independent surveyor, Lloyds of London. This survey is forwarded to CRS/New York for processing of any claims on the carrier.

PL.480 foods are sent from the ports of entry to Lesotho via the South African Railways. The only point of entry for the railway into Lesotho is at Maseru. At all other points of entry the supplies are offloaded at the railheads in South Africa bordering on Lesotho. Private cartage companies supervise the unloading of supplies from trains, sign the railway delivery notes noting any damage or losses and then transport the supplies by truck to the nearest Lesotho government warehouse.

When food arrives at one of the eight regional warehouses in Lesotho, the storemen of the Ministry of Rural Development conducts a tally of the cargo and forwards his tally to the CRS office in Maseru. Independent surveys cannot be conducted because of a lack of surveyors.

Food distribution lists are prepared every three months and sent to all distribution centers. The distributing agency then collects its supplies from the government warehouse and transports them to the recipients at the FFW project sites and to the maternal-child welfare clinics.

Each warehouse manager, FFW distribution clerk and clinic manager submits a monthly report to the CRS office listing the amount of food received and distributed during the month. The report also lists the number of recipients participating in their respective programs. These reports enable CRS to determine our stock position if proper rations are being issued and if proper accounting procedures are being followed.

The CRS field representatives travel throughout the country for program auditing and end-use-checking. Special forms are filled out whenever inspections are made.

All records pertaining to PL.480 are kept in the CRS Maseru Office where they are available for examination by USAID and CRS/New York auditors.

All losses incurred while en route to the ports of East London and Durban are documented by the Lloyds Survey. This survey is sent to CRS/New York for filing claims against the ocean carriers.

Losses which take place between the port of entry and the railhead nearest to the Lesotho government warehouses are documented by the private cartage companies that have contracted with CRS to provide ongoing transportation of said cargo. Claims on such losses are filed by CRS/Lesotho. Funds collected from such claims minus CRS administrative costs are turned over to the U.S. Embassy.

Losses which take place between the railhead and the government warehouses in Lesotho are documented by the representative of the Ministry of Rural Development at each warehouse. Once again claims for such losses are made by CRS and the funds thus collected turned over to the U.S. Embassy.

#### PORT FACILITIES

1. CRS makes use of the ports of East London and Durban for all PL.480 foods shipped to Lesotho. Both ports are modern and well-equipped to handle all incoming cargo. Periodic port inspections are made by CRS staff to ensure that off-loading, storage and forwarding of PL.480 foods are properly carried out.
2. South Africa permits the CRS appointed agents to conduct cargo surveys as required.
3. Duty-free entry of all supplies does not present any problems at the ports of East London or Durban and no difficulties are anticipated in the future nor are any port charges rendered which present a problem except for demurrage which is paid for by the Government of Lesotho.

#### STORAGE FACILITIES AND TRANSPORTATION

1. The Ministry of Rural Development provides warehouses at eight sites throughout Lesotho. All PL.480 foods are stores in dry closed warehouses constructed of corrugated iron (walls and floor) or cement block walls with a corrugated iron roof. All warehouses have cement floors.

There is presently a total of approximately 5,800 MT warehousing available to CRS and WFP in Maseru, Mafeteng, Mohale's Hoek, Quthing, Qacha's Nek, Mokhotlong, Butha-Buthe, and Leribe. This estimate does not include the Save The Children Fund warehousing and it is based on an average of 50% efficiency. This level is appropriate because the present warehouses themselves are small to medium and have more than two stacks since there are five commodities. This is the same percentage allowed by the Ministry of Rural Development and fits normal storage guidelines.

Storage facilities presently available are as follows:

##### MASERU

1. 28m x 14m x 3.5m
2. 32m x 15m x 5m
3. 22m x 9m x 5m
4. 32m x 9m x 3.5m
5. 8m x 15m x 3m
6. 18m x 14m x 4m
7. 32m x 12m x 4m

Total m<sup>3</sup> = 8,674 m<sup>3</sup>  
Total MT = 2,168 MT

##### MAFETENG

8. 18m x 9m x 3.5m
9. 22m x 6m x 3m
10. 7m x 4m x 4m
11. 8m x 4m x 3.5m

Total m<sup>3</sup> = 1,187 m<sup>3</sup>  
Total MT = 296 MT

##### MANTSONYANE

12. 3m x 3m x 3m
13. 3m x 3m x 2m
14. 3m x 3m x 2m
15. 3m x 3m x 2m

Total m<sup>3</sup> = 72 m<sup>3</sup>  
Total MT = 296 MT

<u>LERIBE</u>	16. 22m x 9m x 3.5m	
	17. 34m x 9m x 3.5m	
	18. 22m x 12m x 3.5m	
	19. 18m x 9m x 3.5m	
	20. 10m x 6m x 3.5m	
	21. 6m x 5m diameter x 5m	Total m3 = 3,525 m3 Total MT = 881 MT
<u>BUTHA-BUTHE</u>	22. 18m x 12m x 3.5m	
	23. 32m x 9m x 3.5m	Total m3 = 1,764 m3 Total MT = 619 MT
<u>MOHALE'S HOEK</u>	24. 32m x 12m x 3.5m	
	25. 18m x 9m x 3.5m	
	26. 18m x 9m x 3.5m	Total m3 = 2,478 m3 Total MT = 619 MT
<u>QACHA'S NEK</u>	27. 13m x 12m x 3.5m	
	28. 32m x 9m x 3.5m	
	29. 18m x 9m x 3.5m	Total m3 = 2,142 m3 Total MT = 535 MT
<u>QUTHING</u>	30. 18m x 9m x 3.5m	
	31. 32m x 9m x 3.5m	
	32. 18m x 9m x 3.5m	Total m3 = 1,142 m3 Total MT = 535 MT
<u>MOKHOTLONG</u>	33. 12m x 9m x 4m	
	34. 22m x 8m x 3.5m	
	35. 12m x 6m x 3.5m	Total m3 = 1,300 m3 Total MT = 325 MT

Under the Title II Commodity warehousing Grant, Number 78-632-28, signed by USAID and CRS/Lesotho on September 26, 1978, USAID has agreed to provide funds for the erection of an additional 29,000 square feet of warehouse space at six sites in Lesotho. This will provide additional storage space for approximately 3,200 MT of Title II food. Target date for completion of the project is October, 1979 in time for first quarter FY-80 shipments.

The proposed locations and areas of the warehouses are as follows:

<u>MASERU</u>	12,000 sq. ft.	1116 m2
<u>THABA-TSEKA</u>	1,400 sq. ft	130 m2
<u>QUTHING</u>	4,000 sq. ft	370 m2
<u>QACHA'S NEK</u>	3,000 sq. ft	280 m2
<u>LERIBE</u>	7,500 sq. ft	700 m2
<u>BUTHA-BUTHE</u>	2,000 sq. ft	186 m2

It is estimated that CRS and WFP need storage for approximately 6,000 MT per quarter for FY-80 food programs. With the expected additional storage space of 3,200 MT plus the existing space for 5,800 MT, there should be sufficient storage for 9,000 MT of Title II commodities each quarter. Thus it is expected that there will be sufficient storage for regular

quarterly needs as well as additional space for an operating reserve for contingencies.

3. All PL.480 food warehouses are regularly examined by CRS field representatives.
4. CRS retains control of all Title II foods instorage.
5. Government, commercial or private trucks provide all transportation for the movement of PL.480 foods within Lesotho.
6. A network of all-weather roads covers the lowlands and foothills of Lesotho. However, certain parts of the mountains areas still remain inaccessible by road. These areas rely on pack animals for transporting food supplies.
7. During the rainy season the condition of certain roads deteriorates quite rapidly and may be closed due to flooded rivers and streams.

#### PROCESSING AND REPROCESSING AND PACKING

No food processing or reprocessing of PL.480 foods is carried on in Lesotho

#### FINANCING

1. The Government of Lesotho contributes a substantial amount, both directly and indirectly towards the implementation of the PL.480 food program conducted by CRS/Lesotho.
2. During FY-78 the Ministry of Rural Development provided transportation and warehousing for PL.480 foods at an approximate cost of \$62,630.
3. Recipients of PL.480 foods contributed \$ 127,620 during FY-78 for the services they received during their monthly visit to the Maternal Child Health Centres. These funds were used to finance the operating costs of the clinics.
4. Thus the recurring expenditure can be met Locally for administration and implementation of the projects. However, capital expenditure is needed for the following:-
  - a. Increased warehousing at all levels
  - b. replacement of private voluntary organization's transport vehicles
  - c. growth surveillance system
  - d. pre-school expansion
  - e. supplementation of food aid work with minor equipment has to be met by donor assistance.
  - f. containers, as stated before, are not presently sold but are used for re-bagging. Oil tins may be sold and the money retained by the Government of Lesotho for purchase of pesticides. Control increased through warehouse visits.

#### ACCEPTABILITY OF AVAILABLE FOODS

1. Whole grain is not requested.

2. The requested commodities are acceptable for both the pre-school program and FFW, in MCH: NFD, Bulgur and Oil  
FFW: Cornmeal, A.P. Flour and Oil.

#### PROGRAM PUBLICITY

1. The recipients are informed of the source of the food verbally and by package marking in the case of FFW. In pre-school programs they are informed verbally and through the utilization of instructional materials. All food commodities used are available locally with the exception of bulgur and CRS has prepared a cookbook on this which has been sold to the mothers. Demonstrations in commodity utilization are also given by the pre-school clinics for this commodity.
2. CRS activities are normally reported on in the local news media. There are no plans to increase local publicity since the food program is a very well-understood activity.

#### CONTRIBUTION TO THE PROGRAM

The Government of Lesotho provides its best warehousing for Title II commodities and also provides inland transportation for most FFW projects as well as personnel to supervise FFW projects, the warehousing and overall administrative costs of the units.

Financial inputs are estimated as follows:

Inland transport at R11,90 per MT	\$49,045
Warehousing at R1.79 per MT	\$13,586
Personnel	\$16,132
Grant for Administration	\$ 9,667

It should be noted that capital depreciation on the warehousing is NOT included in this estimate. If it were, the program support would be higher.

In regard to the pre-school program, recipient contributions amount to \$127,620. This covers the recurring expenditures. However, it does not include the clinic manager's time, which is voluntary, nor the donation of the buildings where the commodities are stored and the clinics take place. Nor does it cover the salaries of the pre-school nurses and clinic aides fully. They are in reality volunteers paid an honorarium since their salaries are lower than those paid by the government.

#### LOCAL PRODUCTION INCENTIVES

Neither FFW nor the pre-school program act as disincentives to local agricultural production. Lesotho, with only 13% of its land arable, is dependent for over 40% of its grain from the Republic of South Africa and is totally dependent for its oils and processed proteins.

On the contrary, it can be argued that through an effective pre-school nutrition program, food demand will be increased which could have an incentive effect on local production.

There is no reason to believe that for the 9,000 workers, mostly women, who volunteer for FFW activities that the FFW projects are a disincentive or limit production through alternate employment since workers work only 15 days in the month leaving sufficient time for other activities. It should be noted that 9,000 workers represent a very small portion of the potential

agricultural labor force and given the economic situation of Lesotho, FFW does not constitute a disincentive. It also supports self-help activity to prevent soil erosion.