

UNCLASSIFIED

**Annual Budget
Submission**

FY 1985

Lesotho

BEST AVAILABLE



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Agency for International Development
Washington, D.C. 20523

UNCLASSIFIED

ANNUAL BUDGET SUBMISSION

FY 1985

USAID/LESOTHO

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Mission Action Plan

USAID/Lesotho

This Action Plan is based on the approved CDSS and is responsive to the Africa Bureau Strategic Plan (6 May 1983) and the relevant objectives, and policies, contained in the series of Policy Papers approved by the Administrator.

The Lesotho CDSS, approved in April 1983, established the following goals of the USAID assistance program in Lesotho for the period FY 1984 - 1988:

Primary Goal: Increase rural income and employment.

Sub-Goals:

- To increase small farmer agricultural production and income through assistance to and strengthening of GOL policy and planning capability; institutional strengthening of the MOA, particularly in areas of research and the extension service; and production assistance to small farmers.
- To strengthen education policies, institutional framework, and programs required to promote rural-based income and employment, focusing on those aspects of the education and training system that are most relevant;
- To utilize and integrate more effectively food assistance resources to increase the efficiency and development impact of the existing food assistance program;
- To support self-help efforts that increase the employment and employability of the lowest income group;

- To alleviate hunger and malnutrition; and,
- To stimulate and encourage the development of private enterprise.

The USAID strategy to achieve these goals, as stated in the CDSS, is to focus its assistance program in two key sectors, Agriculture and Education and Human Resources, during the period FY84-88. The activities selected within the two sectors are those which the Mission believes have a reasonable chance of being achieved during the planning period.

The sectors selected were based on earlier studies, assessments and evaluations which demonstrated that improvements in rural income and employment must come through development of the agriculture sector which remains the dominant source of development potential in the national economy. The studies also indicated an overwhelming need to strengthen the education system's ability to educate and train persons in subjects that will provide the skills needed to improve rural income and employment. These assessments continue to be valid.

Both of the Sector Projects as developed are responsive to the Agency's priority concerns, namely policy reform, institutional development, technology transfer and research and encouragement of the participation and development of the private sector. Human resource development through technical assistance and training is a key element of both. Equally both projects are responsive to the sector specific policy objectives as stated in the Agency's Policy Papers on Food and Agriculture and Basic Education and Training and are consistent with the Strategies in the Africa Bureau Strategic Plan. As stated in page 27 of the Plan "whenever conditions permit, there will be an effort to use projectized sector assistance to enhance the possibility of promoting policy change."

No other project starts are planned for the FY 84-88 period, although in specific cases an ongoing activity may be continued for a limited period when it is necessary to protect our investment or the project activity is supportive of the objectives of our new sector activities.

The program interventions planned to carry out the focused country assistance strategy are grant funded projects in each of the two sectors, a continuation of Title II resources, and selected regional and centrally funded projects which meet special assistance needs or congressional concerns such as health, nutrition, family planning, private enterprise development, PVO and selected development activities.

To achieve the CDSS long range objectives the Mission has set forth the following operational objectives (including management steps) to be achieved during FY 1984 and 1985:

1. Education and Human Resources

- Based on expected AID/W approval in FY 83 of the Project Paper for the Basic and Non-Formal Education Systems (BNFES) Project (632-0222), to be submitted to AID/W for ECPR review in July 1983, and Project Authorization, the Mission plans to negotiate an Agreement with the GOL to carry out the Project in early FY 84 as soon as funds are available. Following Project Authorization the Mission will undertake the procurement of technical assistance and other services required to begin project implementation. By the end of FY 1984, at a minimum, key members of the technical assistance team will be in place.

- After arrival of the Contract Team Leader, establish the coordination mechanism in cooperation with the GOL, the contract team leader and the HRDO.
- Undertake an intensive internal review of ongoing EHR projects in the Mission's portfolio during FY 1984 to plan the integration into the new project activity of those elements of the ongoing projects that are to be continued or redirected.
- Ensure orderly implementation of other ongoing EHR projects through completion, reorienting these, where possible, to support objectives of new education sector project.

2. Agriculture, Rural Development and Nutrition

- Complete development of the Project Paper in collaboration with the GOL for the Lesotho Agriculture Production and Institutional Support Project (LAPIS) (632-0221) which was approved at the PID stage in November 1982 for funding in FY 85. Submit Project Paper to AID/W for review and approval by first quarter FY 1984 to enhance the possibility that the project can be approved for funding during the fiscal year rather than FY 85, as now planned. This is subject to the availability of additional ARDN funds.
- Following Project Authorization negotiate grant agreement with the GOL and procure commodities and services required to undertake the Project. By the end of FY 85 negotiate and complete the contracting process, select with GOL participation the Contract Team Leader and key staff, and have the majority of contract team members in place in Maseru.

- Program attention in FY 1984 will also be directed to the necessary prioritizing, redirection and consolidation of ongoing USAID agriculture activities to ensure that a base for the effective and efficient implementation of the LAPIS project exists.
- Preparation of amendments in the latter part of FY 1983 and early FY 1984 for the extension of projects which may be consolidated into LAPIS. These include: Farming Systems Research, Credit Union Development and Renewable Energy Technology. Evaluations of these projects have been designed to include information to identify linkages to the areas of assistance planned under the new project.
- Complete analysis work on aerial survey and other studies on range resources and vegetation in Lesotho which will provide baseline data for policy formulation and the introduction of improved land conservation and range management practices.
- Monitor crop production on farms utilizing improved cropping and management techniques to determine if improved farming practices are being observed and to measure the impact of these practices in increasing farmer income.
- Preparation of a Title II Section 206 proposal for the generation of currencies to support LAPIS production activities. The proposal will be incorporated into the LAPIS PP.

- Urge improvements in the efficiency and developmental impact of the Title II program administered by the Catholic Relief Service (CRS). This includes the completion of the inventory of Food-for-Work (FFW) projects and the introduction of work norms for FFW projects.
- In cooperation with other donors, increase support to the Food Management Unit (FMU) of the GOL. Action on the recommendations contained in the USAID evaluation of the FMU conducted in July 1982 and accepted by the GOL should be completed by the end of FY 1985.
- Implementation of the CRS Outreach Grant, made in May 1983, will be initiated thus improving CRS's capability to administer its program more efficiently and extend its humanitarian and developmental programs to a larger proportion of the population in need.

3. Health and Population

- Provide for orderly completion and termination of activities of the Rural Health Development Project in March 1984, including (1) institutionalization of the Primary Health Care System, (2) strengthening of the health information system to provide on a current basis nationwide data relating to inpatient and outpatient services, (3) transfer training responsibilities for nurse clinician and village health worker training to the Basotho staff, (4) facilitate the further integration of financial planning and budgeting with the Ministry of Health, and (5) assist in developing further support to the Ministry of Health Planning Division after completion of the Project.

- Working with the Regional Health Officer and the Regional Population Officer in Nairobi, undertake a systematic review of family planning activities both private and public sector in Lesotho. On basis of review explore feasibility and acceptability by GOL of any recommended program of intervention. In coordination with the Regional Population Officer, initiate the necessary program and funding request for action by AID/W or regional resources.

- Continue the orderly implementation of the Rural Water and Sanitation Project (632-0088) focusing on institutional development, the transfer of technology, and village participation aspects of the project.

4. Selected Development Activities

- Complete the dissemination plan for the tested technologies which include a range of cooking and health devices and identify both governmental and commercial opportunities for exploitation and distribution of the technologies developed.
- In light of the planned termination of the RET project in March 1984, undertake a review in early FY 1984 to ascertain whether and to what extent a limited extension is necessary to ensure rapid and effective dissemination of tested technologies, to protect investment already made. Based on earlier evaluation findings, consideration should be given to feasibility and desirability of shifting project focus to development of simple farm tools and implements to support agriculture

production activities under the LAPIS project. Depending on results of reviews, terminate or extend the project.

5. Non Bilateral Funded Activities

- Continue close monitoring and timely implementation of the Southern Perimeter Road Project until completion in late FY 85. Urge prompt and timely resolution of claims arising during course of project implementation to avoid delays in project completion. Ensure orderly transfer of responsibilities and proper close out of actions involving Title II and Title III activities prior to departure of contract teams.
- Continue timely implementation of the structuring of Non-Formal Education Resources Project with special emphasis on the Project Assistance Fund to stimulate productive cooperative activities and enhance self-employment opportunities.
- Seek regional and central support for Agency initiatives such as the Combatting Communicable Childhood Disease (CCCD) and PL-480 CRS Outreach programs.

6. Tightened Portfolio Management and Implementation

- Donor Coordination. In accordance with the Africa Bureau Strategic Plan, promote increased policy dialogue at the monthly donor meetings. Such dialogue should be directed to enhancing possibility for greater consistency in policy approaches in the administration of aid programs.

Reduce the number of program mortgages by forwarding funding until completion using FY 84/FY 85 funds. Given the OYB level for FYs 84 and 85 and the number of existing mortgages (5) this appears possible only if "fallout" money becomes available during FY 84-85.

7. Seek Regional or Central Funds for Special Assistance Needs

As opportunities arise, to stimulate and encourage private sector initiatives; undertake Women in Development activities; reduce infant mortality or other health needs; stimulate or strengthen family planning activities.

Summary

As the above plan states, during FY 84 and FY 85, we will enter into two Project Agreements with the GOL in agriculture and education to implement the strategy outlined in the approved Lesotho CDS. Simultaneously, we are trying to integrate our current portfolio of ongoing projects with the two new sector projects, and provide for the orderly implementation to completion of those projects which will not be consolidated.

Project development has been completed in FY 83 for the BNFES Project but development continues for LAPIS. To ensure that our assumptions on the viability of the agriculture sector are valid, and that the MOA has the absorptive and administrative capacity to undertake the Project, a series of technical studies are planned for the summer of FY 83. Based on our current assessment we believe the project to be a necessary intervention if agriculture is to play a dominant role in increasing rural income and employment.

There is a significant participant training component in the Mission's current portfolio and planned in the new projects which begin FY 84 and FY 85. Our current estimate is that in FY 1984 there will be 19 long-term trainees at

an approximate annual cost of \$420,000 and 35 months of short-term training requiring \$140,000. In FY 1984 our planning contemplates 30 long-term trainees at an approximate annual cost of \$500,000 and 60 months of short-term estimated at \$250,000.

FY 1985 ANNUAL BUDGET SUBMISSION
TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)
 COUNTRY/OFFICE USAID/Lanoch

	FY 1983	FY 1984		FY 1985	PLANNING PERIOD			
	ESTIMATE	CP	ESTIMATE	AAPL	1986	1987	1988	1989
AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION								
Grants	4,861	1,500	3,479	5,703	6,070	6,100	6,500	10,193
Loans	-	-	-	-	-	-	-	-
POPULATION								
Grants	40	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
(of which centrally procured commodities)								
HEALTH								
Grants	2,553	1,950	1,450	1,294	-	-	-	-
Loans	-	-	-	-	-	-	-	-
EDUCATION								
Grants	2,907	6,750	5,350	3,203	4,730	5,900	6,518	3,807
Loans	-	-	-	-	-	-	-	-
SELECTED DEVELOPMENT ACTIVITIES								
Grants	-	-	-	300	-	-	-	-
Loans	-	-	-	-	-	-	-	-
SUBTOTAL FUNCTIONAL ACCOUNTS								
Grants	10,361	10,200	10,279	10,500	10,800	12,000	13,018	14,000
Loans	-	-	-	-	-	-	-	-
OTHER DA ACCOUNTS (Specify)								
Grants	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
TOTAL DA ACCTS.	10,361	10,200	10,279	10,500	10,800	12,000	13,018	14,000
TOTAL DA AND ESP	10,361	10,200	10,279	10,500	10,800	12,000	13,018	14,000
PL480 (non-add)								
Title I	-	-	-	-	-	-	-	-
(of which Title III)								
Title II	4,164	4,321	4,321	4,422	4,862	5,350	5,885	6,473
Housing Guaranties (non-add)	-	-	-	-	-	-	-	-
TOTAL PERSONNEL								
USDH (workyears)	9.7		9.8	9.7	9.0	8.0	8.0	8.0
FNDH (workyears)	10.0		10.0	10.0	10.0	10.0	10.0	10.0

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TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1983 to FY 1985 (\$ thousands)Country/Office USAID/Lesotho

<u>APPROPRIATION ACCOUNT</u>	<u>GRANT/ LOAN</u>	<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>
<u>ARDN</u>				
1. 0065 Farming Systems Research	G	1,782	860	1,270
2. 0214 Credit Union Development (PVO)	G	-	-	-
3. 0215 Land Conservation and Range Development	G	1,969	1,979	1,202
4. 0218 Agriculture Planning	G	1,110	640	-
5. 0220 Nutrition Planning	G	-	-	-
6. 0221 Agriculture Production and Institutional Support	G	-	-	3,231
7. Farm Systems Production	G	-	-	-
ARDN		<u>4,861</u>	<u>3,479</u>	<u>5,703</u>
<u>Health & Population</u>				
7. 0058 Rural Health Development	G	495 ^{1/}	-	-
8. Rural Water and Sanitation Health and Population	G	<u>2,098</u>	<u>1,450</u>	<u>1,294</u>
		<u>2,553</u>	<u>1,450</u>	<u>1,294</u>
<u>E & HRD</u>				
9. Manpower Development and Training II	G	-	-	-
10. 0061 Instructional Materials Re- source Center	G	300	-	-
11. 0069 Manpower Development and Trg.	G	1,607	750	139
12. 0080 National University of Lesotho	G	1,000	600	564
13. 0217 Opportunities Industrializa- tion Center (PVO)	G	-	-	-
14. 0222 Basic and Non-Formal Education Systems	G	-	4,000	2,500
E & HRD		<u>2,907</u>	<u>5,350</u>	<u>3,203</u>
<u>Selected Development Activities</u>				
15. 0206 Renewable Energy Technology	G	-	-	-
SDA		-	-	300
TOTAL BY YEARS		10,361	10,279	10,500

1/ Of which 40 is population

FY 1985 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

PROJECT NUMBER AND TITLE	ESTIMATED U.S. DOLLAR COST (\$000)													
	OBLIG DATE	-TOTAL COST- AUTH PLAN	OBLIG THRU FY 82	PIPE- LINE	FY 82 LINE	OBLIG- EXPEND- ITURES	FY 83 AATL	FY 85 THRU AATL	FY 86 OBLIG	FY 87 OBLIG	FY 88 OBLIG	FY 89 ITEM NO.		
AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION														
1. 632-0065 FARMING SYSTEMS RESEARCH (PC) 1/														
G 78 851/	8308	10438	6526	1673	1782	1724	860	1906	1270	9/86		329		
2. 632-0214 CREDIT UNION DEVELOPMENT (PVO)(OPG)-(U)(R)														
G 80 80	595	595	595	225	-	160	-	65	-	7/83		345		
3. 632-0215 LAND CONSERVATION AND RANGE DEVELOPMENT														
G 80 86	12000	12000	5290	3092	1969	1949	1979	2271	1202	5/86	1560	346		
4. 632-0218 AGRICULTURE PLANNING														
G 80 86	6200	5209	2349	1417	1110	862	640	1106	-	1/86	1110	349		
5. 632-0220 NUTRITION PLANNING II(PVO)(OPG)-(U)(R)														
G 81 81	382	382	382	164	-	164	-	-	-	-	-	-		
6. 632-0221 AGRICULTURE PRODUCTION AND INSTITUTIONAL SUPPORT SUBCAT: PN22/														
G 85 90	-	30400	-	-	-	-	-	-	3231	12/85	3400	6100	6500	7000
7. FARM SYSTEMS PRODUCTION														
G 89 93	-	-	-	-	-	-	-	-	-	-	-	-		
APPROPRIATION														
TOTAL	27485	59024	15142	6571	4861	4859	3479	5348	5703		6070	6100	6500	7000
GRANT	27485	59024	15142	6571	4861	4859	3479	5348	5703		6070	6100	6500	7000
LOAN	-	-	-	-	-	-	-	-	-		-	-	-	-

1/ Farming Systems Research (0065): Two year extension proposed to bridge to new Agriculture Production and Institutional Support (LAPIS) project. Increase in LOP funding of \$2.130 million. Project amendment under preparation. Original project funding included \$995,000 of ESF.
2/ Agriculture Production and Institutional Support (0221): Multi component project encompassing the following Functional Subcategory
Definitional Codes - FNPA, FNDR, and FNAI.

FY 1985 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

PROJECT NUMBER AND TITLE	ESTIMATED U.S. DOLLAR COST (\$000)															
	OBLIG DATE INIT FIN	-TOTAL COST- AUTH PLAN	OBLIG THRU FY82	FY 82 PIPE- LINE	OBLIG- ATTIONS	EXPEND- ATTIONS	FY 1983	FY 1984	FY 85 AAPL	FUNDED THRU	FY86 OBLIG	FY87 OBLIG	FY88 OBLIG	FY89 OBLIG	ITEM NO	
POPULATION PLANNING																
8. 632-0058 RURAL HEALTH DEVELOPMENT																
G 77 83	343	303	263	41	40	41	40	40	-	12/83	-	-	-	-	-	325
APPROPRIATION																
TOTAL	343	303	263	41	40	41	40	40	-							
GRANT	343	303	263	41	40	41	40	40	-							
LOAN	-	-	-	-	-	-	-	-	-							
HEALTH																
9. 632-0058 RURAL HEALTH DEVELOPMENT																
G 77 83	2902	2902	2447	673	455	548	455	492	-	3/85	-	-	-	-	-	324
APPROPRIATION																
TOTAL	2902	2902	2447	673	455	548	455	492	-							
GRANT	15044	15044	9747	3625	2553	2660	2553	3014	1294							
LOAN	15044	15044	9747	3625	2553	2660	2553	3014	1294							
EDUCATION AND HUMAN RESOURCES																
10. 632-0061 INSTRUCTIONAL MATERIALS RESOURCE CENTER ^{3/}																
G 77 83	3381	3381	3081	1032	300	778	300	398	-	12/85	-	-	-	-	-	326
APPROPRIATION																
TOTAL	9970	9970	7474	2815	1607	2100	1607	1772	139	9/86	-	-	-	-	-	332
GRANT	9970	9970	7474	2815	1607	2100	1607	1772	139							
LOAN	-	-	-	-	-	-	-	-	-							
12. 632-0080 NATIONAL UNIVERSITY OF LESOTHO																
G 77 86	5871	5871	2585	1728	1000	1453	1000	1504	364	12/85	-	-	-	-	-	335
APPROPRIATION																
TOTAL	1100	1100	1100	56	-	56	-	-	-	9/83	-	-	-	-	-	351
GRANT	1100	1100	1100	56	-	56	-	-	-							
LOAN	-	-	-	-	-	-	-	-	-							

^{3/} 632-0061 Instructional Materials Resource Center Phase I and Phase II: Phase I authorized Sept., 77 with LOP funding of \$472,000 has been completed. Phase II authorized on Aug., 79 with LOP funding of \$2,909,000 is ongoing.

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TABLE IV - PROJECT BUDGET DATA

PROJECT NUMBER AND TITLE	ESTIMATED U.S. DOLLAR COST (000's)											
	FY 82		FY 83		FY 84		FY 85		FY 86		FY 87	
	OBLIG DATE	PIPE-LINE	EXPENDITURES									
14. 632-0222 BASIC AND NON FORMAL EDUCATION SYSTEMS												
G 84 89	23833											
APPROPRIATION												
TOTAL	20322	44155	14240	5631	2907	4387	5350	4171	2907	4387	5350	4171
GRANT	20322	44155	14240	5631	2907	4387	5350	4171	2907	4387	5350	4171
LOAN												
SELECTED DEVELOPMENT ACTIVITIES												
15. 632-0206 RENEWABLE ENERGY TECHNOLOGY (PC)												
G 79 85*	1600	1900	1600	891								
APPROPRIATION												
TOTAL	1600	1900	1600	891								
GRANT	1600	1900	1600	891								
LOAN												
PROGRAM												
TOTAL	64794	120426	40992	16759	10361	12529	10279	12682	10361	12529	10279	12682
GRANT	64794	120426	40992	16759	10361	12529	10279	12682	10361	12529	10279	12682
LOAN												

4/ 632-0069 Manpower Development and Training: Original project funding includes \$1,767,000 of Economic Support Fund (ESF).
 5/ 632-0206 Renewable Energy Technology: Project extension (18 months) is proposed with an increase in LOP funding of \$300,000. USAID also seeking regional support under Energy Initiatives in Africa (EIA) project to support total cost of extension (estimated \$800,000).
 6/ In accordance with ABS guidance, "Activities to be started after 1985 are not listed on Table IV". Levels, therefore, do not total to AAPT levels provided of \$12.0 million in FY87, \$13.0 million in FY88 and \$14.0 million in FY89.

PROJECT NARRATIVE

PROJECT NUMBER: 632-0221

PROJECT TITLE: Agriculture Production and Institutional Support

LIFE OF PROJECT: (G) \$22.5 Million + \$6 Million PL-480 Section 206 resources

LIFE OF PROJECT: (G) \$30.4 Million without 206 resources

PROJECT FUNDING Proposed for FY 1985 \$3,231 Million

APPROPRIATION Account Proposed to Fund the Project: ARDN

PROJECT PURPOSE: To increase small farmer agricultural production and income through assistance to, and strengthening of, Government of Lesotho (GOL) policy and planning capability; institutional strengthening of the Ministry of Agriculture (MOA), particularly in areas of research and the retraining of personnel in the extension service; and direct production assistance to small farmers.

The major problems in the agriculture sector to be addressed by this project include the following:

- a limited and declining land resource base;
- low levels of agriculture technology;
- underdeveloped agriculture institutions;
- lack of or inadequate domestic agriculture policies, and
- deficient incentives for investment in the agriculture sector.

The above problems, identified as key sector constraints in the Lesotho FY 1985 Country Development Strategy Statement (CDSS) severely inhibit the achievement of the broad aims of the government as stated in the Third 5-Year Plan (1980-1985):

- reduce vulnerability to external economic and political pressure;
- increase domestic employment;
- protect and develop the land and water resource base to permit increased exploitation and use;
- ensure deeper involvement and fuller participation of the community in national development;
- increase social welfare; and
- increase social justice.

This project is part of the approved FY 1985 CDSS for Lesotho. The PID was approved in November 1982 for funding in FY 1985.

The proposed project will assist in overcoming the above constraints through four project subcomponents in agriculture planning, agriculture research, agriculture education and direct production support to rural farmers engaged in limited scale agricultural production of high value, labor intensive and commercially viable crops and livestock enterprises.

Support for the Planning Division of the MOA will concentrate on the following major objectives:

- develop appropriate policies in agriculture;
- recommend implementation strategies to achieve the objectives contemplated in the policies;
- develop the institutional capacity to propose, develop and monitor projects in the agriculture sector;
- assist in developing mechanisms for the commercial marketing of agriculture products through the private sector;
- develop the capacity to analyze agriculture prices and institute pricing policies on a market-clearing basis; and
- collect data and statistics in order to produce regular reports of prices and trends for use by a small but developing agribusiness sub-sector.

This component of the project is consistent with the Policy Paper on Food and Agriculture and the Sector Strategies in the Africa Bureau's Strategic Plan. The latter, for example, states "whenever conditions appear to permit, there will be an effort to use projectized sector assistance to enhance the possibility of promoting policy change."

Support for the agricultural research division of the MOA will be directed to:

- production of tested technological packages oriented to small farmers;
- development of effective linkages among research personnel, trained extension agents and farmer clients;
- testing of economic crops suitable for small-farm production for market;
- extensive on-farm field testing will be done; and
- accomplishment of farm input and output marketing analyses to assist the agro-industrial sub-sector in the provision of seeds, fertilizers, herbicides and farm tools as well as in processing and marketing of high value crops in Lesotho, in the RSA, and abroad.

The proposed approach is directly in-line with AID's research policy which emphasizes (a) adaptive, on-farm testing, (b) instituting long-term commitments to research on commercial crops and (c) the involvement of the private sector in provision of supplies, services and marketing.

Support for agricultural education directed to the Lesotho Agricultural College (LAC) will concentrate on:

- remedial training for extension personnel;
- upgrading diploma and certificate courses; and
- expanding refresher courses and farmer training.

Emphasis will be on ensuring that such education is appropriately and closely linked with agricultural research and is practical for use by farmer clients.

The activities proposed in this component are consistent with the Agency Food and Agriculture Policy Paper, with the Basic Education and Training Paper, and with the Africa Bureau Strategic Plan. The latter document states:

Training and manpower development are critical needs across the board in Africa in all sectors; however, we believe that we can have the greatest impact by concentrating our assistance on training and human resource development in agriculturally related fields. In this way training will complement and reinforce our institution building and technology development and transfer activities. Agriculture can also serve as the engine of growth for the total economy because of the structural interdependence between agriculture and other sectors, and, therefore, it warrants early and accelerated development.

Support for the proposed production component will combine the various outputs of planning, research, education, the on-going Food-for-Work program and related development activities (such as those in marketing) with local currency resources to:

- achieve immediate yet permanent increases in rural-based income and production by supporting rural, small-scale agricultural projects and related activities;
- support extension, including material support, transport support, and in-service training;
- support marketing, including linkage of demonstrations of new technologies with assistance to introductory marketing promotion of inputs and technologies through the private sector and credit unions.

These production activities relate directly to AID's policy directives to increase agricultural production by increasing and sustaining the productivity, incomes and market participation of small farmers.

Proposed plans for training in the above components call for training of 30 Basotho overseas in the United States and direct local training for 700 Basotho through the Lesotho Agricultural College. Several hundred Basotho farmers and other private individuals will receive on-farm training. The estimated total dollar value of the training is \$2,707 million.

There are several categories of beneficiaries of project activities. These include the thirty individuals in the MOA and LAC who will receive long-term training to upgrade their skills. Seven hundred persons currently employed as extension agents, as well as ninety new workers, will benefit from the improved extension education program. Farmers will benefit from short courses at LAC and Farmer Training Centers around the country.

Success in these activities will depend primarily on the project's ability to reach a significant portion of the rural population and assisting them to increase their incomes. These beneficiaries will include: (1) individual farm households reached by extension agents; (2) individuals of FFW groups who are involved in activities designed to generate a continuing income stream; and (3) participants in the activities to be directly assisted from the production component, which will involve a minimum of thirty producer groups.

In all, it is planned to generate increased incomes for 45,000 rural households over the life of the project and progress toward that goal will be continually assessed in project evaluations.

TABLE V - FY 1985 PROPOSED PROGRAM RANKING					Country/Office Lesotho	
RANK	PROGRAM ACTIVITY DESCRIPTION	ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING (\$000)	
					INCR	CUM
1	632-0221 Agriculture Production and Institutional Support (LAPIS)	N	G	FN	3231	3231
2	632-PL01 PL480 Title II Section 206 - Monetized to support LAPIS project (0221)	N	G	FN	(2000)	3231
3	632-0222 Basic and Non Formal Education Systems (BNFES)	0	G	EH	2500	5731
4	632-PL02 PL480 Title II*	0	G	FN	(4422)	5731
5	632-0088 Rural Water and Sanitation	0	G	HE	1294	7025
6	632-0065 Farming Systems Research	0	G	FN	1270	8295
7	632-0215 Land Conservation and Range Development	0	G	FN	1202	9497
8	632-0069 Manpower Development and Training	0	G	EH	139	9636
9	632-0080 National University of Lesotho	0	G	EH	564	10200
10	632-0206 Renewable Energy Technology	0	G	SD	300	10500
11	632-PL03 PL480 Title II Section 206 - Monetized to support ongoing CRS program for rural storage, tools and equipment	N	G	FN	(700)	10500
* 4.	632-PL02 PL480 Title II: Includes both Maternal Child Health (MCH) and Food for Work (FFW) Programs					

TABLE V NARRATIVE

In accordance with the approved CDSS strategy, the USAID will complete its program consolidation for concentration in two sectors -- agriculture and education -- by FY 1985.

Other than the Basic and Non-Formal Education Systems (BNFES, scheduled for implementation in FY 1984) and Agriculture Production and Institutional Support (LAPIS, scheduled for FY 1985 implementation) projects, the USAID will have no new starts in the period 1985 - 1988.

This consolidation has mandated the number one priority ranking of the LAPIS project which is proposed for initial funding in FY 1985. As PL-480 Title II Section 206 monetized resources will be sought (a) to support the production objectives of the LAPIS project, and (b) to reduce the grant cost burden of the project, the PL-480 Title II Section 206 project is ranked second in terms of the USAID's program. The Section 206 proposal will be incorporated in the LAPIS P.P.

The Basic and Non-Formal Education System (BNFES) project is ranked third in terms of program priority because this project represents our other sectoral concentration. This project will have begun in FY 1984.

The PL-480 Title II regular program (MCH and FFW) is ranked number four. In the FY 1984 ABS it was ranked lower because of its strong orientation to relief rather than development. It was noted, however, that the development aspects of this program were being expanded and refined for incorporation into the Mission's overall development assistance program. Considerable progress has been made since the submission of the FY 1984 ABS in the

reorientation of the Title II program to serve developmental objectives. Accordingly, while this program will continue to serve as a relief instrument in the alleviation of hunger and malnutrition, it has now moved substantially higher in terms of priority in recognition of the increased development role it is expected to play by FY 1985.

Rural Water and Sanitation is ranked fifth in terms of USAID program priorities. This ranking is in recognition of the high impact this successful project has had in improving and increasing water and sanitation availabilities throughout Lesotho. Further the funding proposed will complete our mortgage on this project.

The Farming Systems Research project, ranked sixth, will be redirected and consolidated into the LAPIS project in FY 1986. A two year extension has been approved, an amendment is being prepared, and funding is requested in FY 1985 to permit the bridge of ongoing activities.

The Land Conservation and Range Development (LCRD) project is ranked seventh but high in the list of ongoing projects because of its success in (a) introducing grazing associations and pilot improved animal management areas, and (b) stimulating policy review and reform in land conservation and range management. Given the serious problems of erosion and overgrazing this project is important in protecting the land resource base.

The Manpower Development and Training project, which is ranked eighth, will receive its last year of funding in FY 1985. All funds are committed either to identified participants in accordance with the project's training plan or to long-term advisory assistance. An important activity, this project has provided advisory assistance and training in key ministries, thereby strengthening their institutional capacity to respond to developmental priorities.

As this institutional strengthening is critical to overall GOL management and operational capacities and as certain key personnel will be continued under the BNFES project, the orderly termination of this project is considered of critical importance.

While training activities are being accelerated under the National University of Lesotho (NUL) project and an increased number of in-country programs are planned during the balance of the project, the USAID ranks this project as ninth pending confirmation that revised targets for training and project objectives can be achieved as planned.

The Renewable Energy Technology (RET) project, ranked number 10, was envisioned as a pilot effort. Inadequate provision was made in the design of the project for the dissemination of any technologies developed. Accordingly, an extension of eighteen (18) months was recommended in the April 1983 evaluation of this project to permit dissemination of the promising cooking and heating technologies developed. The evaluation also recommended that the project focus on agriculture related technologies during any extension (animal traction devices, grow-holes, solar food dryers, etc.) and the project monitored and possibly incorporated into the research element of the LAPIS project. Regional support is being sought from the Energy Initiatives in Africa (EIA) project to cover the cost of the extension (Est. \$750 - 800,000) given their complimentary focus. The funding proposed in Table V would permit limited dissemination and no new agriculture technology research. It is included in Table V since the limit for country activities under the EIA project is reportedly \$500,000.

Ranked last is PL03/PL-480 Title II Section 206 which would be monetized to build storage and purchase tools and small equipment for CRS. The tools and

equipment would be used by FFW crews in the implementation of FFW projects. At present, due to a lack of financial resources, CRS is unable to provide or must borrow tools from other entities such as the GOL or World Food Program (WFP). This supply is, however, undependable and FFW projects frequently suffer from a lack of simple tools and equipment. Although ranked last, this is considered an important activity since it strengthens the PL-480 program to achieve developmental impact. It is ranked last as Lesotho's access to a Section 206 program remains in doubt.

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE USAID/Lesotho

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Date	Collateral AID Assistance
		Start To (Qtr)	End To (Qtr)	Start To (Qtr)	End To (Qtr)				
ARDN									
1. 0065 Farming Systems Research*	1/83	-	-	2	3	Midpoint of 2-year extension. Preparation for new agricultural project. PACD: 3/85	Project	16	12 1 REDSO/EA or AID/W and 2 contract specialists
2. 0214 Credit Union Development*	2/82 (next, 7/83)	-	-	2	3	Midpoint of 2-year extension. Will examine credit and provide input into new agricultural project. PACD: 1/84	PD & S	10	12 1 REDSO/EA or AID/W and 1 contract technician
3. 0215 Land Conservation & Range Dev*	11/82	-	-	1	2	Approximately midpoint in life of project. Follows first evaluation by two years. PACD: 8/87	Project	16	12 1-2 contract, AID/W or REDSO/EA
4. 0218 Agriculture Planning*	8/82 (Not submitted to AID/W as report was not accepted by MDA)	2	3	-	-	Will provide first comprehensive external evaluation. Will examine progress made following modification of project in FY83 and review progress toward achievement of four main project outputs. PACD: 12/87	Project	16	12 2 contract specialists and 1 AID/W and/or REDSO/EA
5. Nutrition Planning II*	6/79	1	2	-	-	End of project evaluation. PACD: 2/84	PD & S	10	12 1 REDSO/EA and 1 contract
HEALTH AND POP									
6. 0058 Rural Health Development*	4/82	2	3	-	-	Intensive external evaluation will be conducted upon completion of U B contract. Evaluation will look at overall achievements and impact. PACD: 3/85	PD & S	25	18 2 contract evaluators and RHDO
7. 0088 Rural Water and Sanitation	5/82 (next 6/83)	-	-	3	4	In-house progress review.	Project	10	12 1 REDSO Rural Sociologist, RHDO, Regional Economist and 1 contract advisor
USAID Evaluation Officer: L. D. Bannius, Program Officer.						Amount of time devoted to evaluation work		10-15%	

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE USAID/Lesotho

Project List (Project No. & Title)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Date	Collateral AID Assistance
	Last Eval Completed (Mo./Yr.)	Start To Start To (Qtr) AID/W (Qtr)	Start To Start To (Qtr) AID/W (Qtr)	Start To Start To (Qtr) AID/W (Qtr)				
<u>EHRD</u> 8. 0061 Instructional Materials Resource Center*	3/82	1 2	-	-	Final in-house project review during LOP. Will review requirements re any final adjustments in project operations and inputs as well as assess project impact. PACD: 12/85	10	12	1 REDSO PDO, 1 technician from either REDSO or AID/W and, possibly 1 contract Materials Specialist.
9. 0069 Manpower De- velopment & Trg.*	3/81	2 3	-	-	Final in-house review during LOP to review any final adjustments in project operations, etc. PACD: 9/86	10	12	1 REDSO PDO, 1 AID/W Human Resources Development Specialist, 1 consultant
10. 0080 National Univer- sity of Lesotho*	5/80	1 2	1	2	Comprehensive evaluation of achievements, adequacy of project design, and identification of project strengths and weaknesses. PACD: 6/86	10	8-10	1 PDO from REDSO/EA, 1 technician from AID/W, and 1 contract specialist
<u>SDA</u> 11. 0206 Renewable Energy Technology	4/83	3 4	3	4	FY 84 - In-house review of progress FY 85 - If project extension approved external evaluation.	10	12	In FY1984 USAID/MORD review. In FY1985 assistance will be required from REDSO/EA or AID/W; 1 REDSO/EA or AID/W technician and 1 contract Energy Specialist.

TABLE VII

Evaluations: Issues Narrative

Eight evaluations are planned for FY 1984 and five for FY 1985. The results of the evaluation conducted in FY 1983 of the Farming Systems Research project and the planned Credit Union Development evaluation, will be important to the development of the Project Paper for the Agriculture Production and Institutional Support (LAPIS) project, as research and credit activities will be continued under LAPIS. The FY 1985 evaluations of these same projects will provide added experience and facilitate the consolidation of the activities into the LAPIS project. Specific issues to be examined during the evaluations include: project progress, linkages needed to facilitate consolidation into the new project, policy reforms and/or institutional support needs, and the role of credit unions and research in the stimulation of the agriculture sector, particularly agro-business, marketing, etc.

The evaluation of the Agriculture Planning project planned for FY 1984 is the first comprehensive external evaluation of this project. As planning will continue to be a focus of the LAPIS project, the results will be most useful in insuring that the new agricultural activity effectively builds upon past USAID project experience. The evaluation of the Agriculture Planning project will examine progress to date and how well this project responds to MOA concerns and needs in planning.

The Land Conservation and Range Development evaluation in FY 1985 will review progress to date giving particular attention to the success of the project in controlling the number of animals within range capacity prior to the expansion of the project to other grazing areas. The project involves a great degree of technology transfer to the private agricultural sector since private ranching associations are being established to deal with the acute

problems of grazing and range management in the pilot range area. Before these concepts can be replicated in LAPIS, they must be thoroughly evaluated in conjunction with the MOA and the ranching associations and the private farmers.

Thus, 4 of the above planned evaluations contribute to the design and implementation of the LAPIS project. They are accorded high priority in terms of the Mission strategy and workplan in FYs 1984 and 1985.

In Education and Human Resources, the results of the evaluations of the Instructional Materials Resource Center and Manpower Development and Training projects in FY 1984 will be important to the implementation of the Basic and Non-Formal Education Systems (BNFES) project. A number of the advisors under these projects and elements of the project themselves will be subsumed into the BNFES project. The evaluations will include issues which may affect the implementation of the BNFES project such as the policy dialogue with the MOE, and institutional support to NTTC and the planned curriculum reforms which are central to the implementation of the BNFES project. The BNFES project will involve a great deal of institutional support for, and technology transfer to, the various educational institutions of the GOL. The evaluations will focus on these institutions.

The evaluation of the National University of Lesotho (NUL) is also important to this effort (the BNFES project implementation because the project concerns non-formal and adult basic educational efforts at the NUL. The last evaluation was in FY 1980.

The Nutrition Planning (OPG) and the Rural Health Development evaluation will examine impact and lessons learned. The results of the Rural Health Development evaluation may, however, be useful, in guiding the implementation of the regional Combatting Childhood Communicable Diseases project which, as proposed, would continue and build upon earlier Rural Health Development investments in training, planning, and data collection and analysis.

With respect to the remaining evaluations identified in the Mission's evaluation plan, an in-house review of the Rural Water and Sanitation project will be undertaken in FY 1985. Progress under this project has been excellent and no implementational or other problems have been identified which would necessitate a more in-depth evaluation of this activity at this time.

The recently completed evaluation (April 1983) of the Renewable Energy Technology project has recommended the reorientation of this project to focus more on agricultural and rural technologies such as animal traction devices, grow-holes, etc. An extension of the project is also proposed during which the technologies already developed (cooking and heating) will be disseminated and the project monitored for elements which may be replicated in the LAPIS project. Consequently an in-house review and an evaluation are planned for FY 1984 and 1985.

ORGANIZATION USAID/LESOTHO

EXPENSE CATEGORY	FUNCTION CODE	OBJECT CLASS	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
<u>U.S. DIRECT HIRE</u>	U100		800.7		800.7	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	492.6		492.6	10.1
PT/TEMP U.S. BASIC PAY	U107	112				
DIFFERENTIAL PAY	U103	116	40.4		40.4	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	40.0		40.0	8.0
RETIREMENT - U.S.	U107	120	40.0		40.0	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	12.3		12.3	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	3.0		3.0	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	13.2		13.2	3.0
POST ASSIGNMENT - FREIGHT	U112	22	47.0		47.0	3.0
HOME LEAVE - TRAVEL	U113	212	42.8		42.8	8.0
HOME LEAVE - FREIGHT	U114	22	42.4		42.4	8.0
EDUCATION TRAVEL	U115	215	5.1		5.1	2.0
R AND R TRAVEL	U116	215	16.3		16.3	6.0
ALL OTHER CODE 215 TRAVEL	U117	215	5.6		5.6	15.0
<u>FOREIGN NATIONAL DH</u>	U200		144.5		144.5	XXXXX
BASIC PAY	U201	114	130.0		130.0	10.0
OVERTIME, HOLIDAY PAY	U202	115	3.5		3.5	0.5
ALL OTHER CODE 11 - FN	U203	119				XXXXX
ALL OTHER CODE 12 - FN	U204	129	11.0		11.0	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300		47.0		47.0	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	30.0		30.0	1.8
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	17.0		17.0	2.3
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		197.0		197.0	XXXXX
RENT	U401	235	47.1		47.1	6.0
UTILITIES	U402	235	22.0		22.0	XXXXX
RENOVATION AND MAINT.	U403	259	6.0		6.0	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311	55.5		55.5	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	15.0		15.0	XXXXX
SECURITY GUARD SERVICES	U407	254	50.4		50.4	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.0		1.0	XXXXX

ORGANIZATION USAID/LESOTHO

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		353.1		353.1	XXXXX
RRNT	U501	234				XXXXX
UTILITIES	U502	234	6.0		6.0	XXXXX
BUILDING MAINT./RENOV.	U503	259	3.0		3.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	33.1		33.1	XXXXX
VEHICLES	U505	312	15.0		15.0	XXXXX
OTHER EQUIPMENT	U506	319	2.0		2.0	XXXXX
TRANSPORTATION/FREIGHT	U507	22	10.0		10.0	XXXXX
COMMUNICATIONS	U508	230	18.0		18.0	XXXXX
SECURITY GUARD SERVICES	U509	254				XXXXX
PRINTING	U510	24	3.0		3.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	8.9		8.9	23.0
INFORMATION MEETINGS	U513	210	16.9		16.9	6.0
TRAINING ATTENDANCE	U514	210	3.1		3.1	1.0
CONFERENCE ATTENDANCE	U515	210	3.6		3.6	3.0
OTHER OPERATIONAL TRAVEL	U516	210	18.5		18.5	8.0
SUPPLIES AND MATERIALS	U517	26	31.0		31.0	XXXXX
FAAS	U518	257	157.0		157.0	XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259	24.0		24.0	XXXXX
TOTAL O.E. BUDGET			1542.3		1542.3	XXXXX
RECONCILIATION			[742.3]		[742.3]	XXXXX
OPERATING ALLOWANCE REQUEST			800.0		800.0	XXXXX
OTHER INFORMATION:						
Dollar requirement for local currency costs				552.0		
Exchange rate used (as of May 1, 1983)				US\$ 1.00 = SAR1.08		

ORGANIZATION USAID/LESOTHO

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		795.9		795.9	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	495.6		495.6	10.0
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	45.3		45.3	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	42.0		42.0	9.0
RETIREMENT - U.S.	U107	120	41.2		41.2	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	12.8		12.8	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	3.0		3.0	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	15.2		15.2	2.0
POST ASSIGNMENT - FREIGHT	U112	22	41.0		41.0	2.0
HOME LEAVE - TRAVEL	U113	212	27.1		27.1	6.0
HOME LEAVE - FREIGHT	U114	22	31.0		31.0	6.0
EDUCATION TRAVEL	U115	215	5.6		5.6	2.0
R AND R TRAVEL	U116	215	30.1		30.1	12.0
ALL OTHER CODE 215 TRAVEL	U117	215	6.0		6.0	8.0
<u>FOREIGN NATIONAL DH</u>	U200		157.0		157.0	XXXXX
BASIC PAY	U201	114	141.2		141.2	10.0
OVERTIME, HOLIDAY PAY	U202	115	3.8		3.8	0.5
ALL OTHER CODE 11 - FN	U203	119				XXXXX
ALL OTHER CODE 12 - FN	U204	129	12.0		12.0	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300		51.0		51.0	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	31.0		31.0	1.7
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	20.0		20.0	3.0
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		202.4		202.4	XXXXX
RENT	U401	235	47.4		47.4	6.0
UTILITIES	U402	235	24.0		24.0	XXXXX
RENOVATION AND MAINT.	U403	259	6.5		6.5	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311	50.0		50.0	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	18.0		18.0	XXXXX
SECURITY GUARD SERVICES	U407	254	55.0		55.0	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.5		1.5	XXXXX

ORGANIZATION USAID/LESOTHO

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		328.8		328.8	XXXXX
RENT	U501	234				XXXXX
UTILITIES	U502	234	7.0		7.0	XXXXX
BUILDING MAINT./RENOV.	U503	259	3.0		3.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	13.5		13.5	XXXXX
VEHICLES	U505	312	20.0		20.0	XXXXX
OTHER EQUIPMENT	U506	319				XXXXX
TRANSPORTATION/FREIGHT	U507	22	6.0		6.0	XXXXX
COMMUNICATIONS	U508	230	20.0		20.0	XXXXX
SECURITY GUARD SERVICES	U509	254				XXXXX
PRINTING	U510	24	3.0		3.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	13.0		13.0	10.0
INFORMATION MEETINGS	U513	210	22.8		22.8	8.0
TRAINING ATTENDANCE	U514	210	12.5		12.5	3.0
CONFERENCE ATTENDANCE	U515	210	4.0		4.0	3.0
OTHER OPERATIONAL TRAVEL	U516	210	18.0		18.0	8.0
SUPPLIES AND MATERIALS	U517	26	36.0		36.0	XXXXX
FAAS	U518	257	130.0		130.0	XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259	20.0		20.0	XXXXX
TOTAL O.E. BUDGET			1535.1		1535.1	XXXXX
RECONCILIATION			[724.9]		[724.9]	XXXXX
OPERATING ALLOWANCE REQUEST			810.2		810.2	XXXXX
OTHER INFORMATION:						
Dollar requirement for local currency costs				567.0		
Exchange rate used (as of May 1, 1983)					US\$1.00 = SA31.08	
Estimated Wage Increases - FY 1983 to FY 1984				10%		
Estimated Price Increases - FY 1983 to FY 1984				10%		

ORGANIZATION USAID/LESOTHO

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		838.1		838.1	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	501.4		501.4	10.2
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	45.9		45.9	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	44.1		44.1	10.0
RETIREMENT - U.S.	U107	120	40.6		40.6	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	12.9		12.9	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	3.0		3.0	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	22.2		22.2	3.0
POST ASSIGNMENT - FREIGHT	U112	22	55.5		55.5	3.0
HOME LEAVE - TRAVEL	U113	212	35.5		35.5	7.0
HOME LEAVE - FREIGHT	U114	22	33.0		33.0	7.0
EDUCATION TRAVEL	U115	215	6.2		6.2	2.0
R AND R TRAVEL	U116	215	31.2		31.2	10.0
ALL OTHER CODE 215 TRAVEL	U117	215	6.6		6.6	15.0
 <u>FOREIGN NATIONAL DH</u>	U200		170.0		170.0	XXXXX
BASIC PAY	U201	114	153.0		153.0	10.0
OVERTIME, HOLIDAY PAY	U202	115	4.0		4.0	0.5
ALL OTHER CODE 11 - FN	U203	119				XXXXX
ALL OTHER CODE 12 - FN	U204	129	13.0		13.0	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
 <u>CONTRACT PERSONNEL</u>	U300		56.0		56.0	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	34.0		34.0	1.7
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	22.0		22.0	3.0
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
 <u>HOUSING</u>	U400		154.0		154.0	XXXXX
RENT	U401	235	50.0		50.0	6.0
UTILITIES	U402	235	26.0		26.0	XXXXX
RENOVATION AND MAINT.	U403	259	7.0		7.0	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311	6.5		6.5	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	3.0		3.0	XXXXX
SECURITY GUARD SERVICES	U407	254	60.0		60.0	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.5		1.5	XXXXX

ORGANIZATION USAID/LESOTHO

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		340.7		340.7	XXXXX
RENT	U501	234				XXXXX
UTILITIES	U502	234	8.0		8.0	XXXXX
BUILDING MAINT./RENOV.	U503	259	3.0		3.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	12.2		12.2	XXXXX
VEHICLES	U505	312	10.0		10.0	XXXXX
OTHER EQUIPMENT	U506	319				XXXXX
TRANSPORTATION/FREIGHT	U507	22	4.5		4.5	XXXXX
COMMUNICATIONS	U508	230	22.0		22.0	XXXXX
SECURITY GUARD SERVICES	U509	254				XXXXX
PRINTING	U510	24	3.0		3.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	14.0		14.0	30.0
INFORMATION MEETINGS	U513	210	25.0		25.0	8.0
TRAINING ATTENDANCE	U514	210	14.0		14.0	3.0
CONFERENCE ATTENDANCE	U515	210	5.0		5.0	3.0
OTHER OPERATIONAL TRAVEL	U516	210	19.0		19.0	8.0
SUPPLIES AND MATERIALS	U517	26	39.0		39.0	XXXXX
FAAS	U518	257	140.0		140.0	XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259	22.0		22.0	XXXXX
TOTAL O.E. BUDGET			1558.8		1558.8	XXXXX
RECONCILIATION			[740.8]		[740.8]	XXXXX
OPERATING ALLOWANCE REQUEST			8180		8180	XXXXX
OTHER INFORMATION:						
Dollar requirement for local currency costs				582.0		
Exchange rate used (as of May 1, 1983)				US\$1.00 = SARI.08		
Estimated Wage Increases - FY 1984 to FY 1985				10%		
Estimated Price Increases - FY 1984 to FY 1985				10%		

OPERATING EXPENSE NARRATIVE

A. Management Improvement

During FY 1983, USAID/Lesotho is planning to order four personal computers. These four units will greatly improve the efficiency and timeliness of the overall mission operation. These units will be utilized for project monitoring, the improvement of administrative management and word processing. USAID/Lesotho currently has 15 active projects totalling 90 million dollars plus a PL-480 program with a value of approximately \$4.5 million.

Some sample areas of uses are:

- Participant Training: To maintain an active file to include the participants' name, project activity, start date, estimated completion date, training institution, degree or non-degree training and funding data.
- Project Management: To include quarterly reports, project documentation, conditions precedent, LOP, PACD, obligations to date, planned obligations and expenditure data.
- PL-480 Program: Monitor call forwards, commodity receipts, end use, outstanding claims and collection data.
- Administration: Improve management and control of:
 1. Non-expendable property both residential and office by location.
 2. Vehicle usage, maintenance costs and fuel consumption.
 3. Real property and leased property records, maintenance costs, utility costs, rental costs and available options for individual properties.
- Financial Management: Receive financial report from RFMC via telecommunication, process payments by use of DATEL, and financial analyses.

Although no reduction in the US or FN direct hire staff is anticipated, as a result of the purchase of these computers, we do foresee a reduction in the amount of outside contracting required. Additionally, there will be significant improvements in the accuracy of our reporting, the amount of detail furnished and timeliness of our submissions. The savings resulting from their use can conservatively be estimated at \$20,000 per year.

B. Justification for Funding Changes

The one area of our budget that increases more than 10 percent for FY 1984 and 1985 is operational travel. This is necessary because of increased travel required for site visits and training. The on-going projects are in a stage of implementation that requires project officers to travel more frequently to the field to observe project activities which are widely spread throughout Lesotho.

The USAID Office was opened in 1978, therefore, many of our FN staff have less than five years of AID experience. In order to improve their knowledge of AID policies and procedures and to strengthen their performance, during FY 1984 and FY 1985 several FN staff will be recommended for training abroad.

With respect to USDH, we plan to send 3 persons each year during the two fiscal years for training courses such as project implementation or similar type technical conferences and meetings.

These travel requirements have been included in the budget.

TABLE VIII(a)
OBLIGATIONS OF ADP SYSTEMS
(\$000)

	-----Fiscal Year-----		
	1983	1984	1985
<hr/>			
A. <u>Capital Investments</u>			
1. Purchase of ADP Equipment	36.4	-0-	-0-
2. Purchase of Software	2.0	1.0	-0-
Subtotal			
B. <u>Personnel</u>			
1. Compensation, Benefits, Travel			
2. Workyears			
Subtotal			
C. <u>Equipment Rental and Other</u>			
<u>Operating Costs</u>			
1. ADP Equipment (ADPE) Rentals			
2. Supplies and Leased Software			
Subtotal			
D. <u>Commercial Services</u>			
1. ADP Service Bureau			
2. Systems Analysis and Programming			-0-
3. ADPE Maintenance (If separate from item C.1.)	1.4	1.5	1.7
Subtotal			
E. <u>Total Obligations (A-D)</u>	39.8	2.5	1.7
F. <u>Interagency Services</u>			
1. Payments			
2. Offsetting Collections			
Subtotal			
G. <u>Grand Total (E+F)</u>			
Amount included in <u>Mission allowance</u> for existing systems	39.8	2.5	1.7
Amount included in <u>Mission allowance</u> for new/expanded systems			

AUTOMATIC DATA PROCESSING NARRATIVE

As described in the management improvement section, USAID/Lesotho is planning to purchase four personal computers in fiscal year 1983. The earlier section describes many of the areas in which the four computers will be used. Some additional areas are:

- A. Available to consultants when doing economic or financial analysis;
- B. Processing payment through RAMC using DATEL;
- C. Word Processing;
- D. Project monitoring of 15 active projects totaling approximately 90 million dollars.

USAID/Lesotho does not, at this time, foresee adding additional ADP equipment within the next three years.

AID NON-BILATERAL FUNDED ACTIVITIES

<u>PROJECT NUMBER and TITLE</u>	<u>Date Begun</u>	<u>PACD</u>	<u>Responsible Office</u>	<u>(000's) LOP Cost</u>	<u>Priority</u>	<u>Mission Time Spent on Activity</u>
						<u>Proj Mgr</u> <u>Other</u>
1. 690-0076 Southern Perimeter Road	8/79	5/86	USAID/Lesotho & So. Afr. Regional	34,000.0	High	1 1/2 PY/PY 3 mo/YR
2. 931-1054 Structuring Non-Formal Education Resources	6/78	4/84	ST/ED	2,690.0	High	4 wks/PY 1 wk/YR
3. CRS Outreach ^{1/}			EVA/FFP	904.0	High	To be Determined
4. Combatting Childhood Communicable Diseases (CCCD) ^{2/}	(Proposed new country activity)		USAID, Regional (To be determined) and AFR/DR	970.9	High	To be Determined

1/ CRS Outreach Proposal grant signed 5/20/83 per State 149564. USAID awaiting copies.
2/ Proposed project for which country assessment has been completed by a Center for Disease Control (CDC) team. Regional project with project manager to be stationed in area - country to be determined. USAID envisions implementation in FY 1984.

I. <u>Fiscal Year 1984</u>	<u>Priority</u>	<u>Amount Required</u>
A. Agriculture, Rural Development and Nutrition (ARDN)		<u>\$136,000</u>
632-0221 Lesotho Agriculture Production and Institutional Support (LAPIS)		
<u>Marketing Study:</u> To review agriculture marketing opportunities and structures in Lesotho and the Republic of South Africa (RSA). Study will be the second phase of earlier marketing structure study and will provide guidance in implementation of LAPIS project. 1-2 contract marketing specialists x 3 weeks.	High	20,000
<u>Technical Agricultural Production Program Design:</u> Examination of research elements and needs under LAPIS project, in view of technological targets of opportunity for production in agriculture and the feasibility of consolidation of such targets into LAPIS design. 1 technology specialist x 3 weeks	High	10,000
<u>Unidentified:</u> Unspecified PD & S requirements associated with the design of the LAPIS project, the development of strategies/plans for the consolidation of ongoing projects or project elements into the sectoral type LAPIS project. The review of programs, projects, achievements, targets, organizations needs, linkages or problems, etc., which will contribute to the design and/or consolidation/implementation of the LAPIS project.	High	50,000
632-0220 Nutrition Planning II (OPC) Evaluation - inadequate funding provided in project.	High	16,000
<u>Unidentified:</u> Reserve for unspecified requirements.	High	40,000

B. Health and Population	High	<u>\$35,000</u>
<u>Unidentified:</u> USAID anticipates need for PD & S support for FP conferences, identification of opportunities for increased FP activity, etc. This responds to CDSS guidance.		
C. Education and Human Resources Development		<u>60,000</u>
632-0222 Basic and Non-Formal Education Systems (BNFES)		
<u>Rural Skills Demand Study:</u> Study of skills demand in Lesotho with specific attention in Thaba Tseka district. Study will be used in design and implementation of LAPIS project. 1 employment (rural skills) and 1 rural development specialist x 4 weeks.	High	30,000
632-0069 Manpower Development and Training Evaluation - under budgeted in project	High	10,000
Unidentified needs	High	20,000
D. Selected Development Activities	Medium	<u>20,000</u>
Unidentified needs		
TOTAL PD & S Requirements - FY 1984		<u>\$251,000</u>

II. Fiscal Year 1985

A. Agriculture, Rural Development and Nutrition (ARDN)		<u>70,000</u>
632-0214 Credit Union Development	High	10,000
Evaluation and examination of rural credit needs. Results to be used in implementation of LAPIS project.		
Unidentified needs	High	60,000
B. Health and Population	High	<u>20,000</u>
Unidentified needs		
C. Education and Human Resources Development	High	<u>20,000</u>
Unidentified		

D. Selected Development Activities	Medium	<u>10,000</u>
Unidentified needs		10,000
TOTAL PD & S Requirements - FY 1985		<u><u>\$120,000</u></u>

TABLE IX(a) - WORKFORCE REQUIREMENTS (U.S. DIRECT HIRE)

USDH WORKFORCE REQUIREMENTS

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
011	Mission Director	1.0	1.0	1.0	1.0
012	Deputy Mission Director	0.8	1.0	1.0	*0.5
071	Executive Assistant	1.0	1.0	1.0	1.0
031	Executive Officer	0.9	1.0	1.0	1.0
043	Controller	1.0	1.0	1.0	1.0
023	Program Officer	1.0	0.8	1.0	1.0
601	Human Res Dev Officer	1.0	1.0	1.0	1.0
103	Agricultural Dev Officer	1.0	1.0	0.8	1.0
103	Asst Agric Dev Officer	1.0	1.0	1.0	0
940	Project Dev Officer	0	0	0	1.0
251	General Eng Officer	1.0	1.0	0.9	*0.5
TOTAL		9.7	9.8	9.7	9.0

TABLE IX(b) - WORKFORCE REQUIREMENTS (F.N. DIRECT HIRE)

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
024	Program Assistant	1.0	1.0	1.0	1.0
600	Training Assist. I	1.0	1.0	1.0	1.0
251	Assist. Gen Eng Off.	1.0	1.0	1.0	1.0
100	Agricultural Assist.	1.0	1.0	1.0	1.0
040	Senior Accountant	1.0	1.0	1.0	1.0
040	Budget and Fiscal Asst.	1.0	1.0	1.0	1.0
040	Voucher Examiner	1.0	1.0	1.0	1.0
072	Comm/Records Clerk	1.0	1.0	1.0	1.0
070	General Services Clerk	1.0	1.0	1.0	1.0
070	Receptionist	1.0	1.0	1.0	1.0
TOTAL		10.0	10.0	10.0	10.0

WORKFORCE REQUIREMENTS

By fiscal year 1986 the program portfolio in Lesotho will be concentrated into two major sectors. Although the program level remains relatively constant through FY 1986, the number of projects will begin reducing. Changes in project emphasis along with the completion of the Southern Perimeter Road Project, planned for FY 1986, will reduce the need for 2 full-time engineering positions. With the continuation of the TCN engineer position, the U.S. engineer position can be eliminated in FY 1986. The reorientation and concentration of the program also reduces the need for the senior management position of Deputy Director. This position can be eliminated during FY 1986 as well.

To provide needed assistance to the Agriculture and Education Project Managers in implementation, monitoring and evaluation, we plan to eliminate the second agriculture position early in FY 1986 and substitute a Project Development Officer. This will free-up the time of the two technical officers and enable them to supervise and monitor their projects more closely.

When the need for additional technical assistance and advice is needed, the Mission in most cases will rely on REDSO/ESA.

A reduction of the USDH workforce level to 9 FTE workyear for FY 1983 is not possible and for 1984 and 1985 would have serious program implications. The FY 1984 and 1985 workyear personnel levels are at the bare minimum given the diverse project portfolio.

The FNDH workforce is shown as 10 through FY 1986. In light of the planned reduction in the USDH staff by 2 during FY 1986 an additional reduction in the FNDH workforce would not be possible if we are to maintain the proposed program levels.

TABLE XIII

PL. 480 TITLE II

FY 1985

I. Country LESOTHO

Sponsor's Name: CATHOLIC RELIEF SERVICES

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

(Thousands)			
No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
144	NFDM	3456	380,160
144	BULGUR	3456	864,000
144	SOYA OIL	1728	1,562,112
Total MCH 432		8640	2,806,272

B. School Feeding..... Total Recipients _____

(Thousand)			
No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total School Feeding		_____	_____

C. Other Child Feeding..... Total Recipients _____

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

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

(Thousands)			
No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
57	SOYA OIL	342	309,168
57	CORNMEAL	3105	530,955
57	FLOUR	3105	776,250
Total Food for Work		6552	1,616,373

E. Other (Specify) FOOD FOR MONETIZATION..... Total Recipients _____

(Thousands)			
No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
_____	wheat	4000	700,000
_____	_____	_____	_____
Total Other		_____	_____

II. Sponsor's Name: CATHOLIC RELIEF SERVICES

GRAND TOTAL = \$ 4,422,645

PL 480 NARRATIVE

Ongoing Programs

The value of the United States' contribution for food aid to Lesotho during FY 1982 was \$9.6 million. \$5.3 million of this total was programmed through Catholic Relief Services (CRS) for Maternal/Child Health and Food for Work planned activities. The remainder, \$4.3 million, was provided under the World Food Program for school feeding and Food for Work activities.

The CRS/Lesotho program has been stabilized at a level which reaches 201,000 recipients annually and, as has been indicated in previous planning documents, no expansion in the number of Title II recipients in coming years is proposed. Therefore the tonnage level requested in FYs 1984 and 1985 will remain constant.

The CRS Maternal/Child Health project addresses the problem of chronically malnourished children through the country-wide network of MCH clinics by providing specialized instruction in health and nutrition education, provision of food supplements and a monitoring system that measures weight-for-age. In FY 1984 and 1985, efforts will be directed to the commitment of the children's parents to improve the family's child feeding practices and their economic position by increasing opportunities for family members to participate in income generating activities. The beneficial impact of this program has been widely recognized for its contribution to enhanced nutritional standards and family knowledge of the root causes of malnutrition. In addition, formal management and logistical tools of problem assessment and implementation will continue to be applied to increase the efficiency and coverage of the program to reach and assist those most in need.

With the arrival of a new CRS/Lesotho program director a year ago, new internal administrative and management systems have been introduced. The timeliness of submission and the quality of commodity and recipient status reports has been markedly improved. This improved quality of reporting has assisted the USAID Mission to better monitor and provide oversight of the total CRS program. In the area of claims for damaged/missing commodities, USAID and CRS continue to seek means for improved tracking, reporting, and timely submission and collection of claims.

The CRS Food-for-Work program continues to substantially contribute to rural road construction, provision of conservation structures and the planting of woodlots. The introduction of annual planning cycles, work norms and improved logistics and management through the GOL Food Management Unit is expected to further improve the program's effectiveness and impact (see below).

A number of activities undertaken by the USAID Mission since 1980 to seek improvement in management and administration of the food aid program and to enhance the development impact of food aid to Lesotho have gained wide recognition and acceptance at the Cabinet level of Government. The formal audit held by the IG in 1980 was followed by a food aid program review in 1981 and an in-depth food aid management review in 1982. These reports taken together have comprehensively analyzed the problems and future prospects of the total food aid program in Lesotho. Recommendations emanating from these reports have now been formally accepted by the Lesotho Cabinet as guidelines for all food aid assistance programs to Lesotho.

New Programs

A new centrally funded CRS Outreach Program has been approved in AID/Washington (May 1983). This program will materially impact on CRS activities by extending MCH activities into the most remote, difficult to reach, areas of the country and will enhance the capacity of CRS to increase the efficiency and impact of their program.

A new unit has been established within the CRS structure to coordinate new socio-economic small scale projects. This unit will supervise and arrange for conducting feasibility studies and implementation of small projects in oil seed production, fish farming and vegetable gardening, among other activities. Funding will be drawn from the Outreach project, locally generated, or CRS/New York funds. A modest level of commodity increase (additive to CRS requested levels) is being proposed to AID/FVA/FFP for consideration for FY 1984 for CRS for monetization to generate sufficient local currency to support, in the immediate future, the construction of rural storage and purchase of tools and equipment to support the ongoing CRS program. The lack of adequate storage capacity in the rural areas is a serious constraint in the distribution of food stocks since most of the country is mountainous and transport of commodities is difficult and time consuming. The lack of tools and equipment is also hampering Food-for-Work program implementation.

A Special Request for Emergency Food Assistance by the GOL

What is reported to be the worst drought in over 50 years has recently impacted on Lesotho. Crop harvests of grains for the current season have fallen from usual expected levels of approximately 120,000 tons to 48,000 tons. The adjudged impact on the country, taking into account the level of usual

imported grains, will be the need to import an extra amount of 100,000 tons of grains (corn and wheat) through May 1984. Several donors, including USAID, have been asked to provide emergency food support. The U.S. has been specifically requested to provide the following types and levels of commodities:

Wheat (for monetization):	10,000 M.T.
Maize Meal:	5,000 M.T.
Pulses	2,000 M.T.
Milk	2,000 M.T.
Oil	1,000 M.T.

This request is under urgent review at the Mission at this time.

Program Effectiveness and Impact - And Areas of Emphasis for Improvement

There is now acceptance by the GOL that the food aid program is no longer a "dole" or "relief" program but, rather, a valuable development resource. Program direction is being re-targeted to directly contribute to increasing development impact such as raising levels of food production in those crops in which Lesotho enjoys a comparative advantage, e.g., beans, peas, pulses, fruit and tree crops, among others. These have promise for enhancing the incomes of rural people. As mentioned earlier, the GOL, through its Cabinet, has recently formally adopted the recommendations for improvement resulting from two consultant studies. The studies, funded by the USAID Mission in 1981 and 1982, recommended the establishment of work norms, improved procedures for selecting and approving projects, increased staffing, etc. Donor and GOL emphasis in FYs 1984 and 1985 will be directed to enhancing the Food Management Unit's capacity to manage food aid in a cost effective manner; improve accounting for food utilization and reporting; develop analytical and management resources to improve the operations of the total food aid program; and increase the development potential of the program.

Regarding the CRS program, the following areas will be primary areas for surveillance and improvement during FYS 1984 and 1985:

1. Maternal and Child Health

- Improve MCH centers' food management, storage and transportation by providing training for clinic supervisory personnel, introducing full-time commodity management officers at the larger centers, construction of storage to stabilize food stocks and closer monitoring of center transportation arrangements;
- Improve systems for collection and utilization of data on child growth patterns, food management and financial flows;
- Extend a program which identifies and provides special attention to seriously underweight children (introduced in FY 1983);
- Focus resources on those most in need by opening 5 to 10 new centers over the next two years in areas of high malnutrition.

2. The New Economic Activity Unit

- Continue the development of the capacity of this new Unit to organize and develop new socio-economic development activities in areas which offer potential for raising of rural incomes, such as egg production, vegetable farming, fish farming and oil seed production.

3. Food-For-Work

- Improve the quality of ongoing projects by providing professional surveys, adequate supervision, adequate tools and materials, work norms and an improved approval process to enhance Food-for-Work projects;

- Continue to redirect the program focus toward projects in economic activities.

Justification and Need for the PL-480 Title II Program

Severe problems in the agriculture sector -- limited land base resources, weather risks, severe soil erosion, the high cost of farming inputs and low capital investment -- continue to limit the number of people entering farming and thus exacerbates problems of food production and availability. The low incomes per capita and extremely high agricultural unemployment continue to serve as critical rationale for maintenance of the CRS Food-for-Work Program. This program provides a very important supplement to the regular diets of people -- the majority of whom are women -- in the most impoverished and difficult to reach areas of the country.

The outlook for current food production potential in Lesotho is far from promising due to extreme drought conditions which have prevailed during the past two years. It became most serious during the cropping season September 1982-January 1983. The prediction is that this will continue into future cropping periods. Therefore, the USAID Mission view is that Lesotho will continue to have to import, on a commercial basis, large amounts of grain to meet consumption requirements, e.g., approximately 100,000 metric tons annually.

Taken together, the patterns and trends of continuing drought, the relatively poorer soils for grain production and the poor financial situation of the country confirm the importance of continuing the current Title II program for humanitarian reasons. The Mission supports its continuation in light of the government's commitment to retargeting the program to improve the effectiveness and efficiency of the use of food aid resources and its acceptance of recommendations for improvements in the food aid program.

Title II Section 206

The Mission continues to believe that a modest 206 program, while making available local currencies required for support of agricultural production activities, would also help ameliorate the food deficit and, as well, assist in reducing dependency on the Republic of South Africa.

During August 1982, in conjunction with the design of the new multi-component project in agriculture (LAPIS), a proposal was incorporated into the PID for a Title II, Section 206 program for local currency generation to support experimental limited scale agricultural production activities in the rural areas under LAPIS. During subsequent review of the PID in AID/W, the Mission was advised to defer the proposal for a 206 program because Lesotho, at the time, did not fit within the Agency's Section 206 guidelines. Recent events, including the verification of the chronic and long-term financial situation facing the country and clarification of a long history of importation of food (usually 40 percent of requirements in any given year), have led AFR/TR officials to suggest that the Mission renew its Section 206 proposal. Our current planning is to proceed, as part of the Project Paper development for LAPIS, to incorporate a full Section 206 proposal for possible FY 1984 funding. The level of commodities currently anticipated to be needed to generate the local currency required (approximately 8 million Maloti) is 35,000 MT of wheat, a portion of which might be provided during FY 1984. The currency generated would be reserved for funding of directly productive agricultural production activities under LAPIS.

In addition, the Mission will continue its monitoring efforts and provide active support to the CRS humanitarian and developmental programs currently underway and planned. Support for assisting the GOL Food Management Unit to improve its analytical, managerial and administrative capacity to achieve efficiency in the food aid program will be emphasized.

ANNEX: SPECIFIC SECTOR OBJECTIVES AND BENCHMARK INDICATORS

This annex has been prepared to illustrate in greater detail the sector specific objectives and benchmarks expected to be reached in each of fiscal years 1984 and 1985 in each of the projects listed.

AGRICULTURE AND RURAL DEVELOPMENT AND NUTRITION

Agriculture Planning (632-0218)

1984

- Completed drafts of policy objectives and implementation strategies for the MOA
- The capacity to determine the relevance of donor proposals and recommend alterations/additions to the proposals as/if required.
- Capacity to regularly collect data on agriculture prices, production, etc., not collected by the Bureau of Statistics.
- The capacity to develop and analyze Government pricing policies.
- The annual publication of an interpretive agricultural statistical bulletin.

1985

- A capacity to assist all divisions of the MOA in the development of action plans based on fully articulated and approved agriculture policies will be in place.
- Trained staff will be able to conduct a limited number of annual evaluations of ongoing MOA projects.
- Capacity to develop and analyze government agriculture pricing policies will be in place.
- Capacity to identify, collect and interpret market statistics and trends to support work of the policy section of the MOA Planning Division.
- MOA Planning Division fully staffed with professionals at the currently approved level of 17 persons, 5 persons trained to the M. Sc. level; 2 persons trained to the B. Sc. level.

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AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION

Land Conservation and Range Development Project (632-0215)

1984

By the end of FY 1984 the following objectives in land conservation and range management will be reached or well underway:

- Complete an analysis of Lesotho Grazing Regulations and Agricultural Lands Leasing Policy with recommendations for changes as/if required;
- Continue intensive efforts in soil surveys and mapping, individual and area farm plans and design and supervision of construction of selected conservation structures;
- Continue the development of plans and strategies to implement more extensive formal livestock marketing centers;
- Complete detailed planning for an intensive national livestock culling and selection program;
- Complete planning concepts for area planning for range improvements and management systems;
- Complete plans for revamping conservation structure construction program from a machine to a biological and labor-intensive basis;
- Complete planning for division of Schlabathebe Ranching Association Area into seasonal grazing pastures; introduce improved and more timely sheep and goat shearing programs; secure the support of association members for a 10% per year cattle reduction program; and institute regular operational cattle marketing programs with local area cattle buyers;

1985

- Lesotho Grazing Regulations and Agricultural Lands Leasing Policy analysis completed and final recommendations submitted to the GOL;
- Research analysis and mapping completed on a country-wide basis;
- Range carrying capacities and recommendations forwarded to the GOL;
- Conservation structure construction program conducted entirely on a labour-intensive and biological basis;
- Full capacity developed on a country-wide basis for assisting individual farmers and farmer groups with recommendations for economic cropping and conservation of their land;
- Schlabathebe Ranching Association fully developed and functioning: full membership of livestock owners in the area; cattle numbers reduced to carrying capacity of the range; regular culling of herds proceeding on a systematized basis; sheep and goat shearing schedules revamped and systematized and limited pasture improvement program initiated;
- Trained a total of 11 B.Sc. degrees by the end of 1985 which exceeds the number identified in the project paper. Six participants will have completed M.Sc. degrees under the project out of 7 planned for in the Project Paper

1984 (Continued)

- Training - returned trainee participants; M.Sc. level, 3 to the B.Sc. level, representing 90% of the training goal to end of project.

AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION

Agriculture Research (632-0065)

1984

In research, major targeted objectives to be reached include:

- Reach 25% of farmers in the project prototype areas with extension advice on vegetable gardening;
- 50% of all division heads in the Research Division trained to the B.Sc. level; by end of 84 - 7 participants will have completed B.Sc. degree training and 3 will have completed M.Sc.;
- Agriculture research policy firmly established and accepted by the GOL;
- Continue to train 100 extension personnel in specific subject matter areas and 100 farmers in Farm Record Keeping each year;
- Define areas in each project prototype area for farmer participation in commercial contract growing;
- Test animal-drawn imported farm machinery for possible local manufacture within Lesotho private sector;
- begin agronomic testing and economic and marketing analyses of dry beans, potatoes, sunflowers;
- Continue research efforts on determining range carrying capacities for land use and management and integrate research results with conservation and livestock development programs;
- Conduct comprehensive study on constraints to wool and mohair production in Lesotho;

1985

Achievements expected under the Farming Systems Research Project will include:

- The completion of full feasibility studies for selected potential new crops which include beans, pulses, selected vegetables, fruits, nuts, oil seeds; capacity to regularly supply data and analysis for input into agricultural crop and livestock pricing decisions; the integration of research and extension action plans in order to extend improved practices throughout and beyond the designated project prototype areas completed; private sector individuals producing prototype animal drawn agricultural implements; and studies completed to assist private sector interests to actively become involved in provision of farm inputs, seeds, fertilizers and pesticides to reach the rural farmer;
- In addition:
- private contract farming will be underway in the growing and marketing of two kinds of vegetable crops; the total professional research staff will be trained to the M.Sc. level, by end of 85, and M.Sc. training will have reached 60% of total planned for the project, while B.Sc. training will have exceeded the project goal; range carrying capacity research will be completed and full recommendations disseminated to livestock herders in all three prototype areas; fully tested cropping guidelines for maize, dry beans, peas disseminated to all farmers in the three prototype areas; and continue testing and promotion program underway in potatoes, cabbage, sunflowers, and onions.

1985 (Continued)

To assist the GOI in minimizing recurrent costs in agricultural production, the Research Division will, through Cropping Guidelines Publications, make recommendations on the following:

- Land preparation and weeding practices to minimize fuel consumption;
- Fertilizer and pesticide recommended to get more economical application rates;
- Animal feeding recommendation to effect maximum use of crop residue and of milling by products;
- Promote improved storage to minimize post harvest losses;
- Improve livestock to obtain greater production per animal unit thus reducing overall costs.

EDUCATION AND HUMAN RESOURCES

1984

- Implementation of the Basic and Non-Formal Education Systems (BNFES) project, satisfactory action on conditions precedent which include completion of contracting and arrival of the long term advisory assistance, procurement of commodities and vehicles and the development of implementation plans, organizational linkages, etc., essential to the implementation of the project.
- Continue strengthening efforts at the Institute of Extra-Mural Studies (IEMS) at the National University of Lesotho (NUL). Initiate construction in FY 1983 of planned campus buildings and complete same in FY 1984, conduct accelerated short term classes and adult education programs for rural and urban adult population, and provide technical assistance to seven income generating Basotho groups (crafts and agricultural production) in management and administration.
- Initiate training classes at the Thaba Tseka Rural Skills Training Center to be established under the BNFES project and train in FY 1985 the first group of students in crafts or skills to enable them to find employment and/or increase their incomes.

1985

- Under the BNFES project, the first group of teachers will be trained under the revised curriculum. The revised primary school curriculum will be introduced for testing purposes, drafts of improved primary and teacher school institutional materials will be developed and tested and the plan for LT and ST training approved.
- Extend strengthened adult education programs under IEMS to rural Lesotho, establish outreach centers (3), and improve backstopping of basic adult education programs.
- Continue institutional COL strengthening efforts using OPEX advisors and long and short term training.

HEALTH AND POPULATION

1984

- Opportunities will be sought for more direct involvement in family planning.
- The USAID, in late FY 1983 and early 1984 will assist with the design and development of the Combatting Communicable Childhood Diseases Project. Implementation of the project is scheduled for early FY 1984.
- Work will be completed in FY 1983 and early FY 1984 on a comprehensive series of health manuals and the improvements introduced in areas such as procurement, planning, and information gathering and analysis.

1985

- Possibilities for increased support to family planning will continue to be sought and an effective responsive mechanism will be identified.
- 18 nurse clinicians, 17 health area administrators and approximately 85 village health workers will be trained under the Rural Health Project.

For Both Years

- Direct attention to continued financial improvements in the MOH to reinforce the decentralization decision of the MOH whereby decision-making authority and responsibility will be shifted to the field to increase efficiency and impact.

SELECTED DEVELOPMENT ACTIVITIES

Rural Energy Technology (632-0206)

1984

- Complete development of the dissemination plan which identifies both commercial and governmental opportunities for exploitation and distribution of the technologies developed.
- Undertake extensive field testing of the cooking and heating devices developed and upon finalization of design initiate widespread dissemination of the provided technologies.
- Continue research on other technologies to include: growholes, solar dryers, and retained heat cookers and by the end of the FY make a go/no go decision on the further development and dissemination of the technologies for 1985.

1985

- Review project to determine what elements if any should be incorporated into the LAPIS project and as appropriate, finalize the detailed plan for research to be undertaken during the forthcoming twelve months of LAPIS project activity. If elements are to be incorporated into the LAPIS activities, finalize plans and strategies for the efficient and smooth integration/coordination.

RURAL WATER AND SANITATION (632-0088)

1984

- Focus on further institutional development through training of supervisors, masons, operators, mechanics and waterminders.

1985

- Three participant trainees will return and integrate into the management of the Village Water Supply Section.

For Both Years

- Emphasis on policy reform for increasing village participation in the development of each project as well as a cash contribution to be used for future maintenance.
- Results in each of the two FYs will be the completion of 25 to 30 water systems providing approximately an additional 15,000 villagers each year with clean water.