

**AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT**



**ANNUAL BUDGET SUBMISSION  
FY 1981**

**LESOTHO**

BEST AVAILABLE

**DEPARTMENT  
OF  
STATE**

*MAY, 1979*



## ANNUAL BUDGET SUBMISSION

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TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT  
 FY 1979 - FY 1981  
 (Thousands \$)

DECISION UNIT  
 USAID/LESOTHO

APPROPRIATION ACCOUNT/PROJECT NO./TITLE	L/G	FY 1979	FY 1980	FY 1981		
				Minimum	Current	APL
<u>AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION</u>						
1. 0048 LAND AND WATER RESOURCES DEV.	G	390	42	-	-	-
2. 0064 IASA	G	450	1,140	-	-	-
3. 0065 FARMING SYSTEMS RESEARCH	G	1,000	1,583	1,764	1,764	1,764
4. 0101 PRODUCE MARKETING CORPORATION	G	100	2,196	905	1,905	1,905
5. 0204 ACCELERATED LAND PROTECTION	G	-	1,395	1,430	1,430	1,430
6. 0208 GRAZING LANDS MANAGEMENT	G	-	1,370	820	820	820
<u>POPULATION</u>						
7. 0058 RURAL HEALTH DEVELOPMENT	G	200	63	50	50	50
<u>HEALTH</u>						
8. 0058 RURAL HEALTH DEVELOPMENT	G	-	300	550	550	550
9. 0088 RURAL WATER	G	3,600	1,200	1,000	2,000	2,500
<u>EDUCATION AND HUMAN RESOURCES</u>						
10. 0061 INSTRUCTIONAL MATERIALS RESOURCE CENTER	G	434	1,484	600	600	600
11. 0069 MANPOWER DEVELOPMENT AND TRAINING	G	500	2,800	1,300	3,400	3,400
12. 0080 NATIONAL UNIVERSITY OF LESOTHO	G	-	500	700	1,000	1,000

AID 1350-12 (3-79)

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT  
 FY 1979 - FY 1981  
 (Thousands \$)

APPROPRIATION ACCOUNT/PROJECT NO./TITLE	L/G	FY 1979	FY 1980	DECISION UNIT		
				USAID/LESOTHO		
				Minimum	FY 1981 Current	APPL
<u>SELECTED DEVELOPMENT ACTIVITIES</u>						
13. 0202 SMALL SCALE ENTERPRISES DEVELOPMENT	G	-	600	840	840	840
14. 0203 SHELTER DEVELOPMENT AND COMMUNITY PLANNING	G	-	-	-	-	900
15. 0205 RURAL ACCESS ROADS AND TRAILS	G	-	2,327	500	1,500	2,000
16. 0206 RENEWABLE ENERGY TECHNOLOGY	G	774	500	241	241	241
SUB-TOTAL FUNCTIONAL ACCOUNTS						
		7,448	17,500	10,700	16,100	18,000
<u>OTHER PROGRAMS</u>						
<u>SECURITY SUPPORTING ASSISTANCE</u>						
		-	-	-	-	-
TOTAL DA AND SAA						
		7,448	17,500	10,700	16,100	18,000

## EXPLANATORY ANNEX TO TABLE III

Decision Unit USAID/LESOTHO

Proj. No.	Title	(000 \$)		Net Change	Explanation of Change in FY 80 Funding Level
		FY 80 CP FY 80 OBS	FY 81 ABS FY 80 OBS		
0048	Land and Water Resources	42	42	-	
0058	Rural Health Devel.	512	363 -	149	Project implementation delayed.
0061	IMRC	684	1,484 +	800	Budget adjustment based on final design.
0065	Farming Systems	1,583	1,583	-	
0069	Manpower Devel./Training	3,200	2,800 -	400	To accommodate IMRC.
0080	National University Lesotho	900	500 -	400	To accommodate IMRC.
0088	Rural Water	1,196	1,200 +	4	Rounding.
0101	PMC	2,396	2,196 -	200	Budget adjustment.
0201	Ag Survey & Statistics	300	-	300	Folded into LASA 632-0064.
0202	Small Scale Enterprises	600	600	-	
0203	Shelter Devel.	900	-	900	Country level adjustment.
0204	Accelerated Land Protection	750	1,395 +	645	Further project design.
0205	Upgrading Road Maintenance	2,785	2,327 -	458	Country level adjustment.
0208	Grazing Lands Mgmt.	1,652	1,370 -	282	Further project design - country level adjustment.
	Sub-Total FY 80 CP	(17,500)	(15,860) -	(1,640)	
0064	LASA	-	1,140 +	1,140	Assumed 0201 plus extension.
0206	Renewable Energy Technology	-	500 +	500	Further project design.
	Total	17,500	17,500	-0-	

TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE		DATE OF NEXT PLANNED NON-ROUTINE EVAL	ESTIMATED U.S. DOLLAR COST (\$'000)		US AID / ESOTOH		FY 1981 APPL OBLG.	FORWARD FUNDED TO (MO/YR)	FY 1982 OBLIGATIONS	FY 1985 & BEYOND			
			INITIAL	FINAL		FY 1979	FY 1980	FY 1981	FY 1982							
						EXPEND.	EXPEND.	EXPEND.	EXPEND.							
AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION (632)																
1. 0048	- LAND AND WATER RESOURCES DEVELOPMENT	G	75	79		225	390	321	294	42	184	152	-	9/30/81	-	-
2. 0064	- LASA	G	77	80		82	450	200	332	1,140	480	992	-	9/30/82	-	-
3. 0065	- FARMING SYSTEMS RESEARCH	G	78	82	3/81	-	1,000	82	918	1,583	1,615	886	1,764	6/30/82	1,200	1,766
4. 0101	- PRODUCE MARKETING CORP.	G	79	83	1/82	-	100	-	100	2,196	912	1,384	1,905	6/30/82	1,257	1,042
5. 0204	- ACCELERATED LAND PROTECTION	G	80	83	2/82	-	-	-	-	1,395	989	406	1,430	6/30/82	1,305	1,395
6. 0208	- GRAZING LANDS MANAGEMENT	G	80	83	3/82	-	-	-	-	1,370	815	555	820	6/30/82	1,223	1,087

\* INITIAL AND FINAL FY OF OBLIGATION ARE SHOWN ONCE PER PROJECT, NOT EACH APPROPRIATION WITHIN PROJECT.

TABLE IV - PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE FY #	OBLIGATION DATE FY #	DATE OF NEXT PLANNED ROUTINE EVAL.	ESTIMATED U.S. DOLLAR COST (\$'000)		USAID/LESOTHO		FY 1981 APL OBLIG.	FORWARD FUNDED TO (MO/YR)	FY 1982 OBLIGATIONS	FY 1988 & BEYOND			
						FY 1979		FY 1980						CUM. PIPELINE		
						CUM. PIPELINE AS OF 9/30/78	OBLIG.	EXPEND.	CUM. PIPELINE						EXPEND.	
632	POPULATION PLANNING															
7. 0058	RURAL HEALTH DEVELOPMENT	G	-	-		40	200	150	90	63	80	73	50	6/30/82	40	-
<b>HEALTH</b>																
8. 0058	RURAL HEALTH DEVELOPMENT	G	77	81		855	-	351	504	300	500	304	550	6/30/82	1,000	-
9. 0088	RURAL WATER	G	79	83	6/82	-	3,600	-	3,600	1,200	2,400	2,400	2,500	4/30/82	2,000	2,842
<b>EDUCATION/HUMAN RESOURCES</b>																
10. 0061	DMRC	G	77	83	8/82	445	434	297	582	1,484	398	1,668	600	4/30/82	189	
11. 0069	MANPOWER DEVELOPMENT AND TRAINING	G	78	82	7/82	-	500	-	500	2,800	1,100	2,200	3,400	9/30/83	3,533	
12. 0080	NATIONAL UNIVERSITY OF LESOTHO	G	77	83		565	-	269	296	500	304	492	1,000	9/30/83	1,411	

AID 1330-8 (\$79)

TABLE IV - PROJECT BUDGET DATA

PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE		DATE OF NEXT PLANNED NON-ROUTINE EVAL.	ESTIMATED U.S. DOLLAR COST (\$000)		FY 1979		FY 1980		FY 1981 APP. OBLIG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS	FY 1988 & BEYOND	
			FY #	INITIAL		FINAL	CUM. PIPELINE AS OF 9/30/78	OBLIG.	EXPEND.	CUM. PIPELINE	OBLIG.					EXPEND.
<b>SELECTED DEVELOPMENT PROBLEMS</b>																
13. 0202	SMALL SCALE ENTERPRISES	G	80	83	2/81	-	-	-	-	600	215	385	840	6/30/82	1,000	1,560
14. 0203	SHELTER DEVELOPMENT AND COMMUNITY PLANNING	G	81	83	3/84	-	-	-	-	-	-	-	900	4/30/83	900	1,500
15. 0205	RURAL ACCESS ROADS AND TRAILS	G	80	83	9/83	-	-	-	-	2,327	1,185	1,142	2,000	4/30/82	1,942	1,731
16. 0206	RENEWABLE ENERGY TECHNOLOGY	G	79	81	8/82	-	-	774	100	500	250	924	241	4/30/83	-	-
<b>SUPPORTING ASSISTANCE</b>																
0048	LAND AND WATER RESOURCES	G	-	-	-	596	-	219	-	377	145	232	-	-	-	-
0065	FARMING SYSTEMS RESEARCH	G	-	-	-	995	-	995	-	-	-	-	-	-	-	-
0058	RURAL HEALTH DEVELOPMENT	G	-	-	-	120	-	120	-	-	-	-	-	-	-	-
0069	MANPOWER DEVELOPMENT AND TRAINING	G	-	-	-	1,767	-	1,500	-	267	267	-	-	-	-	-
<b>TOTAL ALL APPROP.</b>						5,690	7,448	4,604	8,534	17,500	11,839	14,195	18,000	17,000	12,923	

AID 1330-8 (3-79)

DECISION UNIT  
USAID/Teoctho

## DECISION PACKAGE NARRATIVE

The mission program and strategy reflect the Southern Africa Development Project Lesotho Country Paper assessment of constraints organized around (1) natural resources endowment; (2) dependence on Southern Africa; (3) structural weaknesses; (4) difficult policy decisions; and (5) social constraints. Natural resources which could be increasingly exploited are limited to grasslands and watersheds. There is a dearth of persons with the skills to design, implement, and benefit from a comprehensive development effort consonant with Lesotho's opportunities and limitations. Massive soil erosion is proving an intractable problem. Employment, trade, transport, and finance are all areas of dependency where the relationship with South Africa works to the disadvantage of efforts to develop a resilient, coherent, prosperous economy for Lesotho. Internal structural weaknesses--especially with respect to the marketing system, finance, and education--in addition to the dependency relationship and lack of exploitable natural resources, also frustrate development efforts. Difficult policy decisions now under consideration include land tenure and the extent of direct government involvement in economic activity. Social constraints to development include certain land use patterns, the (lack of) role of women in farm management decisions, and traditional attitudes toward family planning.

Given the pervasive, often stultifying nature of the dependency relationship and the uncertain prospects with respect to the South African economy, the mission has adopted the long-term goal of helping Lesotho in its attempts to reduce economic vulnerability and foster increased economic resiliency. Also given the pervasive nature of the dependency relationship, the goal is adopted in the full knowledge that only modest incremental and selective gains are likely to be achieved in the foreseeable future. The United States contribution to goal achievement will thus be concentrated more and more within an agriculturally based employment strategy, incorporating strong elements of environmental restoration, conservation, and manpower development. Individual development activities will be shaped both toward the long-term goal and toward basic mandate-related development concerns.

In designing a program consistent with the A.I.D. policy focus, with A.I.D.'s strengths and weaknesses, with host country absorptive capacity, and with other donor contributions, the Country Development Strategy Statement lists a number of objectives for the coming five-year period. In food and nutrition, these include covering one fifth of Lesotho's arable hectares with soil conservation measures; supporting nationwide measures in range management;

increasing income from livestock and livestock related products; increasing crop productivity; establishing an improved marketing structure; and establishing a coordinated planning and management system for agricultural sector efforts. In human resources development we hope to have a broad range of key development positions localized through both the standard and Manpower Development and Training projects; comprehensive non-formal education programs teaching development related skills to both the rural poor and management and clerical level persons established; a comprehensive planning and management system in place throughout the educational system; and a significant increase in the number of students verifiably qualified at the level to which they have been formally taught. In meeting basic human needs, the objectives include the placement of a locally staffed planning and management system for rural health services with about 70% of the cadre of the rural health services delivery system also trained and in place; a rural water delivery system established and institutionalized; and policies and institutional framework set up and programs to help low income persons gain access to acceptable shelter started.

Major thrusts of the A.I.D. contribution toward increased economic resilience and increased employment will be the areas of transport and small scale enterprises. In transport, the south will be linked to the rest of the country through construction of a trunk road. Rural people will be linked to markets and services through construction of rural access roads and trails. In small scale enterprises, the way will be opened up to allow 1-2 thousand small scale entrepreneurs to gain access to the necessary medium-term credit and technical assistance in bookkeeping, management, and technical operations to commence or expand entrepreneurial activities related to such areas as agro-industries, construction, commerce, services, handicrafts, and poultry and dairy operations.

AAPL Level - \$18 Million

To make essential contributions to the objectives listed above, the mission proposes the program package composed of the projects listed in the AAPL chart. Each project represents, in our view, an essential contribution toward given strategic objectives and has been selected vis-a-vis alternatives on the basis of historical contribution to a given effort (conservation), special expertise or tradition in the United States (conservation and range management), complex negotiations with other donors (produce marketing), or special concerns (renewable energy technology). As none of the projects--except Shelter Development and Community Planning delayed from FY 80--represent new starts for FY 81, the removal of any

would mean the termination, with all of the waste that that entails, of an activity already underway or in the final stages of development. The projects continue to reflect our priorities and opportunities; we do not wish to drop any of them to gain funds to undertake an alternative.

More specifically, the Accelerated Land Protection and Grazing Lands Management projects form an essential element of the long term economic health of the country, that is, protection of the land resource base. For the first time in the country's history we are approaching a point where we can achieve national coverage and to drop efforts now--to be picked up several years hence by ourselves or other donors--would be extremely inefficient and in the interim would mean the irretrievable loss of invaluable range and arable land. Lesotho Agriculture Sector Analysis and Farming Systems Research are complementary efforts toward achieving a capacity to analyze, plan for, and meet input requirements of agricultural development. It makes no sense to develop the capacity to analyze sectoral requirements (LASA) if you cannot develop ways of meeting those requirements (Farming Systems Research). Produce marketing is regarded by the host government and the four other donors, with whom it was developed after a long period of analysis and discussion, as essential to commercialization of the agricultural sector and to the provision of production inputs into the agricultural sector--especially as these pertain to the \$25 million dollar multi-donor Basic Agricultural Services Project. <sup>1/</sup>

In the human resources development sector, the Manpower Development and Training project contributes to overcoming development manpower constraints which exist in all sectors and is regarded as an essential complement to the more specifically focused projects in all sectors. It also serves, by way of inserting a single technician rather than a technical assistance team into a problem area, as a means to determine, at a reasonable cost over a period of time, whether the basis exists to establish a more extensive effort. In other instances, the work of these individual technicians creates the basis for more extensive projects (e.g., produce marketing and shelter development). The preparation and testing of prototype instructional materials for primary and secondary schools under the IMRC project is indispensable to the long-term effort of establishing a system that proceeds from development of curricula to mass production of school books. Currently, none of the steps in the process is in full operation and the educational system is composed of a hodgepodge of books and curricula obtained from various sources and maintained by a variety of public and private teachers proceeding according to an equally wide variety

<sup>1/</sup> A Title III PL 480 activity, in support of major basic institutional development, expansion of production and distribution of food and livestock products, and reconversion of marginal crop lands to grass are also an integral part of the program. See PL 480 section for discussion.

of standards and criteria. While the NUL project, as a core element of national educational system, is less relevant to development, its adult education programs focus on development related skills and represent the primary chance for adults to take immediate advantage of employment opportunities and increase their performance in development related areas. Compared to the IMRC project, its impact is quick.

The Southern Perimeter Road, obligated in FY 78 but still under construction in FY 81, reflects economic security considerations related to the closing of the Transkei border. It will help integrate economically, socially, and politically the southern part of the country with the one fourth of Lesotho's population scattered throughout the rest of the country. The rural access roads and trails project complements the trunk road construction project and will also contribute to the development of economic resiliency. It will directly address the two basic development constraints of dependency on South Africa and structural weaknesses.

Also addressing the constraints of economic dependency and structural weaknesses and working toward the objective of economic resiliency, but in a very different way from the road projects, is the small scale enterprises project (see project description). Through its rediscount mechanism it will bring into productive use in the Lesotho economy savings now channeled into South Africa. By working through existing commercial and public banking institutions, it will avoid the absorptive capacity constraint that so plagues the more traditional projects in the ministries and para-statal organizations. Through longer term credit terms (still only medium term in the American context) it will allow many entrepreneurs to undertake development and expansion heretofore impossible. By gaining an overall view of the entire economic and financial structure and making small, initial inputs into priority enterprises, we can gain understanding of the possibilities with respect to later focusing on these priority enterprises in a big way. On balance, the project represents a way of leveraging the A.I.D. contribution and establishing highly desirable economic and financial relationships and opportunities that do not yet exist. The economic development impact will be immediate.

Why do we have this particular aggregation of projects in all of these sectors at this particular time? Historical circumstance, of course, plays a large part. The Government of Lesotho was ready to face each of the particular constraints within A.I.D. priority areas addressed by each of the particular projects at a time when A.I.D. assistance was available, and the A.I.D. project approach,

as opposed to other donor approaches, of some use. Not all projects are irretrievably linked to several other projects, but all focus on major sectoral development themes, based on key constraints.

Dropping out of any one sector and concentrating in fewer sectors in order to save on U.S. direct hire staff would result in the destruction of too much ongoing work--with the accompanying wastage that entails--for too little gain. First, unless we were willing to go into road construction in a big way, we would not be able to transfer our funds into any activity with less per unit project management requirements than the activity from which the funds were taken. Second, given the rudimentary state of the host government's planning and management apparatus, any new activity other than road construction would require major increments of direct hire design inputs so that dropping a project manager from our staff would merely result in increased direct hire design staff either here or elsewhere. Finally, given that we need a management officer and a controller, dropping a project manager would increase the ratio of central support staff to project managers.

Our funding levels represent the amounts required to meet the development contributions we have undertaken. We believe that the current status of institutional development throughout the government combined with its input levels call for a continued project rather than program approach. We are thus not in a position to increase or decrease the scope of a given effort but rather to decide whether to undertake it or not. Beginning with FY 82, however, we are willing to examine the design of one or two blanket projects with sub-activities to be designed and approved as the project unfolds. Agriculture and small scale enterprises would be the area of focus for this concept. We thus believe that continued progress with existing food and nutrition efforts and with the small scale enterprises project help us decide whether this concept would be feasible.

The lack of new initiatives for FY 81 reflects a combination of restrictions placed on our funding levels after the rapid program build up of recent years, compliance with instructions to move toward full funding of projects, the limited staff to develop new projects, and the Government of Lesotho's current situation. That is, the Government has recently undergone its own rapid expansion of development programs as donor money, in view of the general situation prevailing in Southern Africa, has become more readily available. The funding available and the activities undertaken have, in some instances, outrun the Government's development strategy. The Government is now preparing its Third Development Plan to begin in 1980, and tentatively intends to call the donors

together in October for review and discussion. Thus the time seems right for a pause in new initiatives while we, the Government, and other donors get previously identified initiatives developed and underway and we take stock of the Government's intentions with respect to the next five-year plan.

### Current Level - \$16.1 Million

In moving from the AAPL to lower funding levels, it is assumed that the lower levels hold not just for FY 81 but for several years. If the drop were to be effective for one year only, it could be covered by shortening project pipelines. The long term effect on the program would be minimal.

In addition to impact on strategic goals, there are a number of practical questions to consider in deciding whether to move from a higher to a lower level, which in the case of this program means dropping either an existing project or one in comparatively late stages of development. These include whether there are projects which can be easily reduced in scope or whether there are ones where design and implementation are encountering substantial delays. Other considerations include effect on mission personnel levels and what particular damage reducing or eliminating a given project does to other specific projects.

The current level retains the basic strategy goal and objectives of the AAPL, but severely reduces the field operations of the Rural Water and Rural Access Roads projects and postpones the Shelter Development project for at least one year.

Several factors weigh against such reductions. First of all, especially in the case of Rural Water, we would be reducing an activity which has been long developing, toward which many commitments are being developed on both sides, and which will represent a great disappointment in not fulfilling long held expectations. Second, we would long delay reaching the ultimate beneficiaries, that is, the people who receive the water and those who use the roads. Third, such funding reductions would not result in any direct hire or contract staff reductions, thus increasing our staff to program ratio just when we are trying to move in the opposite direction. Finally, in the case of Shelter Development and Community Planning, we will be giving up or postponing a tangible part of our efforts to develop employment outside Maseru and capture Basotho savings for local development rather than foreign investment. Part of the impetus to small enterprise development, more directly supported by the Small Scale Enterprises project, will also be given up.

### Minimum Level - \$10.7 Million

The minimum level can be achieved through further retrenching among existing projects. Shelter Development would be either further postponed or dropped. The institutional development aspect of the project could perhaps be covered by adding perhaps another technician and training under the Manpower Development and Training project. Construction funding could be obtained either from other donors or by reorganizing the nation's financial structure and procedures to capture some of the local savings now being invested in South Africa.

PMC would be, if continued under A.I.D. funding at the minimum level, limited to the purely institutional development aspects. Construction and funding for operations would be eliminated. The role of the PMC would be reduced, if no alternative source of support was found, from that of a comprehensive marketing agency to that of a regulatory body with actual trading being carried out through the private sector (with the traders involved eligible for assistance under the Small Scale Enterprises project).

The Manpower Development and Training project would be severely reduced in scope with the technicians provided under the project more strictly related to activities complementing other A.I.D. projects and to activities serving as advance efforts to the development of regular projects.

Reducing the program to the minimum level would retain the basic objectives of the higher level programs, but would see a major limitation on program scope, level of outputs, and rate of achievement. The focus of activity would be more strictly limited to core economic development problems in the agriculture/livestock and human resources development sectors and to efforts to create and expand employment and revenue and create economic resiliency. Meeting basic human needs with respect to housing and water supplies would be reduced in scope for the present--postponing much of the field activity to the future.

For the long run, reducing Lesotho, as well as Swaziland and Botswana we assume, below the minimum level, would mean giving strong consideration to abandoning the USAID/Mission approach and returning to the OSARAC arrangement. In the short run, it would mean not establishing a permanent post for the Agriculture/Rural Development IDI after one tour and eliminating the Assistant Project Development Officer upon the completion of the current tour of the incumbent.

Bureau Code: Decision Code: USAID/LESOTHO

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORK FORCE (Number of Positions)				
					INCR	CUM	USDH INCR	USDH CUM	ENDD INCR	ENDD CUM	
<b>DECISION PACKAGE MINIMUM</b>											
<b>TERMINATED PROJECTS WITH PIPELINE</b>											
**	632-0048	LAND AND WATER RESOURCES	T	G	FN	(384)	(384)				
**	632-0064	LASA	T	G	FN	(992)	(1,367)				
**	690-0076	SOUTHERN PERIMETER ROAD	T	G	SA	(16,500)	(17,876)				
**	690-0083	SAAST	T	G	EH	(283)	(18,159)				
**	632-0030	SADPT	T	G	EH	(75)	(18,234)				
<b>NEW AND CONTINUING PROJECTS</b>											
<b>PL-480 TITLE II, VOL. AGENCY</b>											
**	632-0065	FARMING SYSTEMS RESEARCH	C	G	FN	(4,008)	1,764				
**	632-0101	PRODUCE MARKETING CORPORATION	N	G	FN	1,764	2,669				
**	632-0204	ACCELERATED LAND PROTECTION	N	G	FN	905	4,099				
**	632-0208	GRAZING LAND MANAGEMENT	N	G	FN	1,430	4,099				
**	632-0058	RURAL HEALTH DEVELOPMENT	N	G	POP/H	820	4,919				
**	632-0088	RURAL WATER	C	G	POP/H	600	5,519				
**	632-0061	INSTRUCTIONAL MATERIALS RES.	N	G	H	1,000	6,519				
**	632-0069	MANPOWER DEVELOPMENT AND TRG.	C	G	EH	600	7,119				
**	632-0202	SMALL SCALE ENTERPRISES DEVELOP.	C	G	EH	1,300	8,419				
**	632-0080	NATIONAL UNIVERSITY OF LESOTHO	N	G	SDA	840	9,259				
**	632-0206	RENEWABLE ENERGY TECHNOLOGY	N	G	SDA	700	9,959				
**	632-0205	RURAL ACCESS ROADS AND TRAILS	N	G	SDA	241	10,200				
<b>BASIC WORKFORCE</b>											
<b>TOTAL MINIMUM PACKAGE AND RELATED BASIC WORKFORCE</b>											
						10,700		10	10	12	12

\* Unliquidated Balance as of 9/30/80  
 \*\* Approved PP as of 4/30/79

AID 1330-9 (3-79)

TABLE V - FY 1981 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)			
					INCR	CUM	USDH		FNDR	
							INCR	CUM	INCR	CUM
<b>B</b>										
<u>DECISION PACKAGE CURRENT</u>										
14.	Title III				(2,500)					
15.	632-0101 PRODUCE MARKETING CORPORATION	N	G	FN	1,000	11,700	10	12		
16.	632-0088 RURAL WATER	N	G	H	1,000	12,700	10	12		
17.	632-0069 MANPOWER DEVELOPMENT AND TRG.	C	G	EH	2,100	14,800	10	12		
18.	632-0080 NATIONAL UNIVERSITY OF LESOTHO	C	G	EH	300	15,100	10	12		
19.	632-0205 RURAL ACCESS ROADS AND TRAILS	N	G	SDA	1,000	16,100	10	12		
TOTAL CURRENT PACKAGE AND RELATED WORKFORCE					5,400		10	12		
<u>DECISION PACKAGE APPL</u>										
20.	632-0088 RURAL WATER	N	G	H	500	16,600	10	12		
21.	632-0203 SHELTER DEVELOPMENT	N	G	SDA	900	17,500	10	12		
22.	632-0205 RURAL ACCESS ROADS AND TRAILS	N	G	SDA	500	18,000	10	12		
TOTAL APPL PACKAGE AND RELATED WORKFORCE					1,900		10	12		
** Approved PP as of 4/30/79.										

Bureau Code:

Decision Code:

DECISION UNIT

USAID/LESOTHO

## PROPOSED USE OF AFRICA BUREAU REGIONAL PROJECTS

PROJECT	FY 79	FY 80	FY 81	COMMENT
1. 0386 PVO - ORC	-	500	500	While we have not definitively identified our ORC candidates for FY 80 and FY 81, we have received one request, and expect to receive follow on requests from CARE and CRS, both of which now have active ORC's.
2. 0407 IRT	-	-	50	Our Farming Systems Research project is now starting operations, our Renewable Energy Technology project commences in FY80, and our Small Scale Enterprises project commences in FY81. Out of these projects should arise at least one request for an IRT activity by FY81.
3. 0410 AIP	-	-	300	We are commencing in FY 79 a centrally funded grant to the Lesotho Distance Teaching Center which is designed to help the Center function as a service agency for various outreach activities. It is expected that at least one of these outreach activities will evolve into a separate project.
4. 0388 WTD	-	100	-	A proposal from FRIDA for training in weaving is under development.
5. AFRGD II	3-5 persons per year.			

PROJECT DEVELOPMENT AND  
SUPPORT (PDS) FUNDING

FY 79

1. Piers Cross	Non PSC on Rural Water PP	3,520
2. GAMC	Small Scale Enterprises Study and PID	16,300
3. Jack Halpin	Non PSC Thaba Bosiu Evaluation	4,572
4. Invitational Travel	for host government	2,613
5. PiersCross	Non PSC for RET PP	2,500
6. Piers Cross	Non PSC for Grazing Lands PP	4,500
7. To be named	Non PSC for Land & Water Evaluation	5,995
		40,000

FY 80

1. LASA - Eval.	1 person, 3 weeks	8,000
2. Rural Health - Eval.	2 persons, 3 weeks	15,000
3. NUL - Eval.	2 persons, 3 weeks	15,000
4. NUL - PP Design	2 persons, 6 weeks	30,000
5. Shelter Devel. - PP Design	3 persons, 6 weeks	45,000
6. Sector Study - Ag.	4 persons, 5 weeks	50,000
7. Small Scale Ent.	3 persons, 6 weeks	45,000
8. Rd. Maintenance PP	3 persons, 6 weeks	45,000
		253,000

FY 81

1. Farming Systems - Eval.	2 persons, 3 weeks	15,000
2. Small Scale Ent. - Eval.	1 person, 3 weeks	8,000
3. PID #1	2 persons, 3 weeks	15,000
4. PID #2	2 persons, 3 weeks	20,000
5. Sector Study - Industry	4 persons, 5 weeks	50,000
6. PID #3	2 persons, 3 weeks	20,000
		128,000

## LESOTHO SMALL SCALE ENTERPRISE DEVELOPMENT

Funding: FY 80; \$600,000  
Life of Project: 4 Years-\$4 Million

Purpose: To expand employment and to promote the development of small Basotho enterprise.

Background: Lesotho is faced with an employment problem of major proportions. The GOL estimates that about 10,500 males and 10,300 females, or over 20,000 persons will be entering the labor force annually between 1980 and 1985, even if employment in South African mines does not decline appreciably. One of the GOL's main development objectives is therefore to create at least 7500 new jobs in the non-traditional sector. The GOL has established the National Lesotho Development Corporation (LNDC) in 1967, and the Basotho Enterprise Development Corporation (BEDCO) in 1975 to promote industrial development. These specialized institutions provide venture capital and technical assistance to a small number of Basotho entrepreneurs in the industrial sector. However, these institutions are neither sufficiently developed nor inclined to provide credit and technical assistance to thousands of existing entrepreneurs in every major sector of the economy.

The Small Scale Enterprise Development Project is based on a multi-sector approach to provide credit and other essential assistance to small and medium-scale entrepreneurs in Lesotho. The multi-sector approach has been selected since many small businessmen and opportunities for

expansion exist in the commercial construction, transport, handicraft and services sectors of the economy, as well as industrial sector, where assistance has traditionally been concentrated. There are no special programs to extend credit or technical assistance to this broader range of entrepreneurs. The project would utilize existing financial institutions in both the public and private sectors to reach small and medium-scale entrepreneurs. These enterprises have virtually no access to medium term credit, or even short term credit, despite the extreme liquidity within the banking system in Lesotho. The three major commercial banks in Lesotho (Lesotho Bank, Barclay's and Standard) lend mostly on a short-term basis to select "bankable" enterprises. These banks have about 40 branches throughout the country, and service about 4000 clients annually. A portion of these clients would benefit from access to medium and long term credit, which would allow them to up-grade and expand their businesses. There are also about 120 credit unions and thrift and credit societies which could be utilized as conduits for credit to rural entrepreneurs. Finally, many existing small entrepreneurs are not considered "bankable" by the commercial banks, owing primarily to stiff collateral requirements and inadequate book-keeping. This problem can be addressed both by providing assistance to small entrepreneurs in business skills such as management and book-keeping and by covering a portion of the risk element for the commercial banks through a guaranty mechanism. Thus the project provides a two-pronged approach to bridge the gap between

entrepreneurial demand for credit and liquidity within the banking system: 1) technical assistance will be provided to entrepreneurs to make them "bankable" (both business skills such as book-keeping and select technical skills); and 2) incentives will be provided to financial institutions through a rediscount mechanism which would finance about 75% of loans made to Basotho entrepreneurs, as well as a guaranty fund, if this additional incentive proves to be necessary. The approach proposed by the project would maximize the utilization of existing financial institutions, and minimize recurrent cost expenditures for the GOL.

Host Country and Other Donors: The Ministry of Industry and Commerce is conducting training courses for Basotho entrepreneurs. The Lerotholi Technical Institute provides courses for entrepreneurs in collaboration with the University of Lesotho. The World Bank, Canada, Great Britain, Ireland, and the Swiss are providing assistance to LNDC and BEDCO. The GOL contribution will consist of staff support and a capital contribution, possibly in the form of a Guaranty Fund. Participating financial institutions will provide about 25% of credit to recipient entrepreneurs.

Beneficiaries: Project beneficiaries will be an estimated 2000 Basotho entrepreneurs, their families and their employees. Given the active role of women (who constitute 75% of credit union members in the Lesotho economy), a large portion of beneficiaries are expected to be women. Indirect beneficiaries include about 25% of the rural and urban poor who will have access to better services and products at lower costs.

FY 1980 Program: During the initial year of the project, the rediscount mechanism and guaranty fund will be established by the monetary authority of Lesotho, and credit will begin to be available to Basotho entrepreneurs. Training for loan officers in Lesotho's financial sector will be completed during this year, and technical assistance will be available to local entrepreneurs in business and select technical skills in construction, handicrafts and machinery repair, etc.

Major Outputs:

	<u>Years</u>
1. An institutions capability established within Central Monetary Authority of Lesotho for re-discounting and guarantying development loans.	1
2. Trained loan officers for development lending in both public and private banking sector.	1 + 2
3. Loans made to small and medium entrepreneurs and private cooperatives.	All

AID-financed Inputs:

Technical Assistance: Project Implementation	<u>600,000</u>
Long Term (5 years)	500,000
Short Term (20 months)	100,000
<u>Training for Local Staff and Entrepreneurs</u>	<u>400,000</u>
Technical Assistance	250,000
Local and Third Country	120,000
Participant (3 years)	30,000
Credit	<u>3,000,000</u>
TOTAL	4,000,000

Backup paper for Small Scale Enterprises Project. The meeting was held as proposed in the covering letter, and those attending from the Government and the private sector accepted the proposed approach given in the paper.

26 Small scale enterpr.  
PID papers

*[Handwritten initials]*

*Director's File*

May 15, 1979

Dr. Manfred Reichardt  
Commissioner of Financial  
Institutions  
Ministry of Finance  
Maseru

Dear Dr. Reichardt:

We have prepared a brief paper explaining some of the basic elements of a potential second-level development finance system for Lesotho.

We would like to have a group meeting this Thursday, May 17, 1979. The purpose of the meeting would be to discuss with the managers of the commercial banks their ideas and interest in participating in a second-level program. It must be emphasized, however, that we are presently at the "idea" stage which implies no compromise from any of the participating parties.

We should invite Mr. Mokoena of the Ministry of Planning to attend the meeting, so that the Ministry would be aware of the favorable characteristics of second-level programs if the idea materializes.

Sincerely,

Frank W. Campbell  
Acting Director

cc: Mr. A. M. Monyake  
Perm. Sec., Central  
Planning & Development Office

Drafted: George A. Morelon, Consultant

The Lesotho Mission of the United States Agency for International Development (USAID) is presently engaged in determining potential courses of action which would direct part of USAID development assistance toward the maintenance and expansion of employment opportunities in Lesotho. The strategy that is presently under consideration involves the promotion and stimulation of small and medium-size enterprises in the largest possible number of communities within the Kingdom of Lesotho. The goals that such strategy imply are coherent with the Government of Lesotho five-year development plan and the American Congressional mandate that USAID must follow as guidelines for development assistance programs. The approach to employment problems via the stimulation of small scale rural and urban enterprises has the favorable characteristic that it tends to create permanent employment opportunities. Other worthwhile approaches such as labor-intensive road construction projects and community infrastructure programs provide employment opportunities for a significant number of individuals, but are temporary in nature.

#### A - The Potential Methodology

At the present stage of the preliminary analysis carried out by USAID's design team the following characteristics concerning financial institutions have been identified. The two main specialized financial institutions LNDI and BEDCO are faced with real constraints in their potential to reach small entrepreneurs in population centers other than Maseru, where both of these institutions are located. Their development approach of acting largely as venture capital institutions as opposed to strictly lending institutions has predictably oriented them to specific areas of activities. Diversification into other activities is being impeded by manpower needs, limited lending experience in sectors other than industry, and the lack of branch facilities.

The non-specialized financial institutions in Lesotho include the three commercial banks that operate a network of over forty branches and agencies throughout the country. The short-term nature of the funds that they capture (demand and time deposits) restraints their ability and willingness to "term" lend (more than one year but normally less than 10 years) to business enterprises. A large portion of their lending activities

concentrates in providing short-term credit to well established merchants. However, their potential to serve as "credit windows" for a development finance program is considerable.

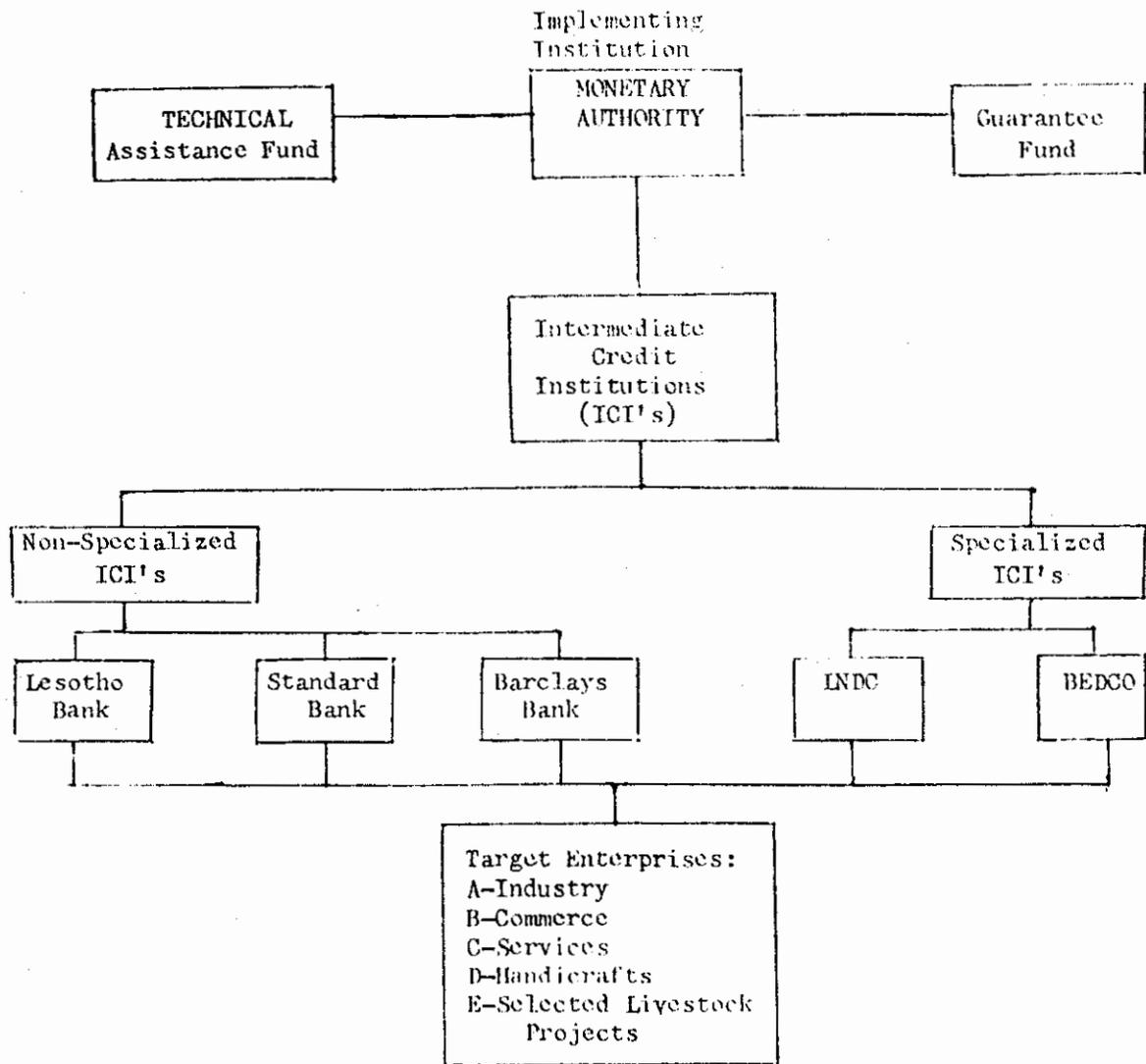
A potential program that has already been identified by the USAID design team involves the initiation in Lesotho of what is known as "second-level development finance systems". USAID has pioneered the second-level approach in many developing countries with considerable success. In those countries where the second-level programs have been more successful the stage of development of their financial institution closely parallel the present stage of development of financial institutions in Lesotho. If the activities and policies of specialized and non-specialized institutions are analyzed individually or in conjunction, several "gaps" appear in the financial system. These gaps are the result of one or more of the following factors:

1. Not enough geographic coverage of development finance activities.
2. Not enough categories of economic activities having access to development funds.
3. Not enough funds reaching small entrepreneurs which comprise the largest number of potential investment opportunities.
4. The lack of familiarization by financial institutions in multi-sectorial term lending, often lead to collateral (security) requirements that are difficult to meet by small entrepreneurs.

The principal actors and institutional relationship of a potential second-level systems in Lesotho are illustrated in Figure No. 1. The basic tool is the establishment of a discount mechanism where funds are made available to both specialized and non-specialized institutions which can be lent to previously determined categories of economic activities and size of enterprises. A small enterprise or individual entrepreneur (sub-borrower) would request a term loan from a financial intermediary of his or her choice. The financial

Figure No. 1

PRINCIPAL ACTORS IN A POTENTIAL SECOND-LEVEL DEVELOPMENT FINANCE SYSTEM IN LESOTHO



intermediary, often referred to as intermediate credit institutions (ICI's) in second-level systems, would evaluate the application and upon approval would grant the loan and assume the risk. The ICI would then turn to the implementing institution or Monetary Authority to take over part (i.e. discount) of the loan. The typical discount rate in second-level systems range between 60 to 85% of the original loan to sub-borrowers. The time terms that the Monetary Authority would grant to the ICI for the amount of funds being discounted would be exactly the same as the time terms granted by the ICI to the sub-borrower. The interest rate, however, that the Monetary Authority would charge the ICI for the discounted portion of the loan would be considerably different (less) than the interest rate that the ICI would charge to the sub-borrower. The ICI would assume the responsibility of repayment (of the discounted amount) to the Monetary Authority. Small loans could be discounted automatically, but loans above certain pre-specified amounts would have to be reviewed by a special operating unit within the Monetary Authority.

#### B - Target Enterprises

The ultimate goal of development finance programs similar to the one discussed above is the maximum possible stimulation of employment opportunities. In rural areas and small population centers, most of the opportunities would be concentrated in the commercial, services and handicrafts sectors. Therefore, in order to increase the probabilities of maximum employment impact a second-level system must be of a multi-sectorial nature. It should include at least the following four broad categories: industry (including production of construction materials), commerce, services and handicrafts.

In addition it should include small size livestock related ventures such as: poultry and dairy operations. Since several of these economic activities would be new types of ventures or would be unfamiliar to some ICI's, it is possible that the Government of Lesotho would probably be requested to set up as a counterpart contribution a guarantee fund which would equally share with ICI's the financial burden of possible business failure.

The USAID's design team has identified the need of a technical assistance component to support the institution of a second-

level system. Technical assistance would be necessary to organize and operate the special operating unit at the Monetary Authority level. Special training courses or seminars would have to be organized in order to assist ICI's loan officers in project evaluation techniques and term loan analysis. At the sub-borrower level, it must be assured that they will have and maintain basic accounting records. In addition, when enough sub-borrowers active in similar types of activities are identified, then the possibility of providing them with managerial and production technical assistance will become a reality. These latter two types of technical assistance should be considered as reasonable risk reduction factors from the point of view of participating ICI's.

#### C - Issues to be Discussed at a Future Group Meeting

The following is a list of potential topics to be discussed at a group meeting with the participation of the Ministry of Planning, the Commissioner of Financial Institutions, USAID representatives and Managers of ICI's.

1. Further explanation of second-level systems by USAID representatives.
2. Training and technical assistance needs of ICI's.
3. Discussion of additional target enterprises that perhaps should be included in a potential second-level program such as: quarrying, fish farming or any other.
4. Types of promotional efforts necessary to launch a second-level program.
5. Any other relevant topic that participants would like to bring up after reading this material.
6. Training and technical assistance needs of potential sub-borrowers.

632-0203 - SHELTER DEVELOPMENT AND COMMUNITY PLANNING

Purpose: (1) To strengthen the institutional capacity of the GOL to implement a National Housing Policy; (2) to provide new and improved housing and community facilities affordable by low income households.

Background:

The rapid uncontrolled growth of towns throughout Lesotho, stimulated by the attraction of higher real wages, aggravating an already acute shortage of suitable housing. It is also threatening to prevent evolution of these communities in ways which will foster rational development of economic activities and social services. Projections indicate that annual urban areas' growth rates in the near future will range from a low of 5% in some secondary towns to 12% in Maseru, necessitating approximately 2,300 new housing units annually if people are to have adequate shelter. Of this total annual need, about 1800 units (78%) are required for below medium income households.

Realizing the need for a more comprehensive low income housing program as well as the need for better urban and community planning, the GOL has taken steps to improve its institutional capacity to respond to the problems. Additionally, a National Housing Policy has been developed and legislation is in process that will create the basis for attacking the most critical constraints impeding effective urban and town planning. While the passage of this legislation will establish the foundation for effective planning and the development of low income housing programs, the new laws and policies will require substantial support to the institutions responsible for planning and implementing housing and community development programs. Technical assistance and training will be needed to increase the planning and implementation capacity of the relevant institutions and capital will be required to finance loans for low income serviced sites and building materials loans. Currently, only one organization is providing shelter for below medium income households; most

financial institutions require terms that are beyond the reach of low income families.

Host Country and Other Donor Contributions:

Currently, several international donors are supporting the housing sector. CIDA and the IBRD are funding projects that will provide serviced sites and building materials loans, low cost cooperative housing units and upgrading of existing units in Maseru and selected secondary towns.

The GOL is taking legislative action which will permit a more efficient and orderly development of comprehensive housing programs for all income groups. To complement the proposed A.I.D. assistance, the GOL will contribute land for housing development, counterpart salaries, and administrative support for A.I.D.-financed technical advisors. In project areas, the GOL will also contribute the off-site infrastructure.

Beneficiaries:

The primary beneficiaries will be the poorly housed families of secondary urban areas who otherwise could not afford to improve their housing. Loan funds provided by the project will be limited to households earning between R33 and R83 monthly (1R = US\$1.18), a group comprising approximately one-third of the urban population. Median household income for secondary towns is roughly estimated at R50-60 per month; however, it is believed these figures may be low. For the most part, these families finance new houses from personal savings on a piecemeal basis, a process that may take years before adequate building materials are stockpiled. Even then, there is little likelihood that the new house will have access to either basic sanitary facilities or to potable water supplies.

The institution building component of the project will provide spread effects that can realistically be expected to benefit

all urban dwellers. Improved government services and town planning will directly benefit people in selected project areas. While institutional support affecting planning and development on a national scale will improve the housing environment in all urban areas.

The project will also help, eventually, address such basic Lesotho development and A.I.D. program concerns as mobilization of savings for investment locally rather than in South Africa (private household savings are transferred by local commercial banks into low-risk bonds in South Africa) and location of employment opportunities throughout the country.

Description of FY. 81 Program:

During the initial year, technical assistance will begin to strengthen GOL institutions responsible for the design and implementation of urban and community development plans. In addition, 4 participants will begin long-term academic training in the U.S. and 2 participants will begin short-term training in the U.S. or other African countries.

Major Project Outputs:

- a. Five participants trained and in place in key housing sector institutions.
- b. 600 serviced-sites and building materials loans.
- c. Two community service centers constructed.
- d. Two market and vending centers constructed.
- e. Town plans developed for at least two secondary cities.
- f. Financial management system developed for low cost housing program.

A.I.D.-Financed Inputs for FY81:

<u>Technical Assistance</u>		540
L.T. 5 p.y.	499	
S.T. 5 p.m.	41	

<u>Participant Training</u>		120
L.T. Academic	5 p.y.	102
S.T.	6 p.m.	18
<u>Vehicles and Equipment</u>		40
<u>TA Housing Construction</u>		200
<u>Estimated Project Duration</u>		
3 years		
<u>Life of Project Cost</u>		
\$4.0 million		

## RURAL ACCESS ROADS AND TRACKS - 632-0205

Objective: To foster sustained direct and indirect employment, income generation, and access to social services on the part of the rural poor.

### Background:

Lesotho, with its mountainous terrain, represents a challenge to the development of any mode of transport. Roads, however, provide relatively low cost facilities for the movement of goods and people that can be used by all. This is especially true given the alternative--air service. It is doubtful that railroads would be economically justified, given the high cost of construction and lack of demand for the bulk movement of goods. Another advantage of roads is that the local population can be employed in construction and maintenance projects. Improved transport facilities are essential in developing the commercial agriculture potential of Lesotho, and road planning must be one component of a spatial development policy.

Road development is also important in promoting industrial and tertiary activity in Lesotho. Road access to natural attractions, such as the Oxbow area, the Sehlabathebe Park, and the 'M'aletsunyane Falls, would increase tourist activity and associated employment in that sector. A final consideration in road planning is political in nature. At present, there is very poor connectivity between the regions in Lesotho. Many areas have direct connections to South African towns and little access to Lesotho towns. The result is lessened economic activity and marketing in the country and greater economic dependence upon South Africa. Road facilities directed toward internal development of Lesotho should help reduce that dependence. The Government of Lesotho is approaching other donors for assistance in completing its primary system of 2000 kilometers linking major towns, regional centers and border posts and its secondary system of 1700 kilometers linking centers with districts and districts with each other. A.I.D. has already entered into a \$26 million project linking the southern part of the country, containing one fourth of the population, with the rest of the country.

Future A.I.D. assistance, as embodied in this project, is focused on development of tertiary roads serving as feeders to primary and secondary roads. The Government of Lesotho has outstanding identified requirements for 140 individual rural access road projects involving 1,829 kilometers and 360 stream crossing structures (bridges, fords, and culverts).

Construction will involve tracks suitable for animals, animal carts, and four wheel drive vehicle plus associated water crossings, bridges, and culverts. The project will result in direct employment opportunities through labor intensive construction techniques, indirect employment opportunities through improved access to markets and improved access to social services. While one objective of the project is to foster construction of roads and tracks which engender maximum economic development with minimal institutional maintenance requirements, limited basic maintenance capabilities will be developed or expanded where essential.

In line with A.I.D.'s rural employment strategy, the focus is on reaching the rural poor majority and removing a constraint on rural production for the cash market. (A primary obstacle to wool and mohair activities has been inability to assure consistent delivery of wool and mohair. The products have been held up behind high waters in the mountain streams during the rainy season.) The activity is labor intensive and will be linked to several other A.I.D. activities in livestock and rural development, including Cottage Industries, Grazing Lands Management, Small Scale Enterprises, and Rural Health Development. It can serve as a funding vehicle, with amounts being determined by rates of Basotho employment in South Africa and by funding availabilities from Congress. Extensive reviews with the villages have been made by the GOL, and a large series of tertiary roads have been formally requested by the concerned villages.

#### Project Description

USAID proposes one technician to plan and coordinate the program in conjunction with local counterparts, two technicians

to help oversee operations, and one technician to assist with organization, expansion, and upgrading of maintenance capabilities. Funds will be provided in support of construction of rural access roads, tracks, plus associated water crossings, bridges, and culverts. District maintenance facilities will be upgraded. Host country technicians in the centers will be given in-service training.

Host Government and Other Donors

Several donors are assisting the Government, through its Roads Branch, in its efforts to develop a primary road system. The Government is having comparatively less success in gaining assistance in developing its secondary road network. The U.K. and the World Bank are giving assistance in the development of central maintenance capabilities and the World Bank is helping upgrade maintenance capacity for primary and secondary roads at three regional centers.

Beneficiaries

The beneficiaries will be those directly employed on road construction plus those with increased access to markets and services. Requests from particular villages will be evaluated on the basis of need for access to markets, e.g. villages with high potential for mohair production, other indices of economic potential, and in conjunction with the development of services including rural water, school construction, and health facilities construction.

Fiscal Year 1981 Program

Funds for initial technical assistance inputs, employment of local labor, purchase of construction and maintenance equipment, and expansion/refurbishing/upgrading of five district maintenance centers would be obligated in FY 81. Technicians and commodities would arrive in country and design of facilities construction and development of road construction activities would be commenced.

Major Outputs:

1. Upgrading of five district maintenance centers.

2. Construction of up to 400 kilometers of rural roads and tracks plus associated facilities.

Life of Project Funding: \$8 million

Funding Period: 1980 - 1983

FY 80 Funding: \$ 2.237 million

PROJECT SUMMARY

TABLE VI

NUMBER OF PROJECTS

	FY 77	FY 78	FY 79	FY 80	FY 81	
					MINIMUM	CURRENT
Implementation at Beginning of Year	4	10	16	19	21	21
Moving From Design to Implementation During Year	6	6	4	6	0	1
Design for Future Year Implementation	6	4	5	1	1	2
<b>SUBTOTAL</b> ▲	16	20	25	26	22	24
Number of Non-Project Activities	3	3	3	4	4	5
<b>TOTAL</b> ▲	19	23	28	30	26	29

NUMBER OF PROJECTS MOVING FROM DESIGN TO IMPLEMENTATION BY PROJECT SIZE

AID'S CONTRIBUTION TO LIFE OF PROJECT COST	FY 77	FY 78	FY 79	FY 80	MINIMUM	FY 81	
						CURRENT	AAPL
Less than \$1 Million	2	2	0	2	0	1	1
\$1 To \$5 Million	4	1	1	2	0	0	1
\$5 To \$15 Million	0	2	3	2	0	0	0
\$15 To \$25 Million	0	0	0	0	0	0	0
More Than \$25 Million	0	1	0	0	0	0	0

AID 1510-6 (3-79)

OPERATING EXPENSE FUNDED PERSONNEL IN POSITIONS

TABLE VII

FUNCTIONS	FY 77 <input checked="" type="checkbox"/>			FY 78 <input checked="" type="checkbox"/>			FY 79			FY 80		
	USDH	FNDH	US CONT	USDH	FNDH	US CONT	USDH	FNDH	US CONT	USDH	FNDH	US CONT
Executive Direction												
Program Planning												
Project Design												
Project Implementation												
Financial Management												
Mission Support												
Non-Mission Specific												
TOTAL												
PLUS: PASA's (O.E. & Program)												
LESS: JAO Details												
MODE Requested												

FUNCTIONS	FY 81 AAPT			FY 81 MINIMUM			FY 81 CURRENT		
	USDH	FNDH	US CONT	USDH	FNDH	US CONT	USDH	FNDH	US CONT
Executive Direction	3	1		3	1		3	1	
Program Planning	2			2			2		
Project Design									
Project Implementation	3	4		3	4		3	4	
Financial Management	1	2		1	2		1	2	
Mission Support	1	5		1	5		1	5	
Non-Mission Specific									
TOTAL	10	12	-	10	12	-	10	12	-
PLUS: PASA's (O.E. & Program)									
LESS: JAO Details									
MODE Requested	10			10			10		

15104(3-79)  USAID/Lesotho was established as a new Mission in FY 79. Personnel assigned to Maseru in prior years were Part of OSARAC, headquartered in Mbabane, Swaziland. Personnel data for FY 77/FY 78 related to Lesotho will be included in USAID/Swaziland/SABS.

TABLE VIII

OPERATING EXPENSE SUMMARY

COST SUMMARIES	FY 77 1/		FY 78 1/		FY 79		FY 80			
	(\$000's)	RELATED WORKYRS.	(\$000's)	RELATED WORKYRS.	(\$000's)	RELATED WORKYRS.	(\$000's)	RELATED WORKYRS.		
US Direct Hire					497.0	8.6	57.8	527.1	10.0	52.7
FN Direct Hire					21.1	5.9	3.6	47.4	11.3	4.2
US Contract Personnel					-	-	-	-	-	-
FN Contract Personnel					32.1	1.7	18.9	27.2	1.5	18.1
Housing					127.6	6.5	19.6	165.2	6.5	25.4
Office Operations		XXXX		XXX	213.1	XXXX	XXX	236.2	XXXX	XXX
<b>TOTAL REQUEST</b>					<b>890.9</b>			<b>1,003.1</b>		
Amount of Trust Fund Included in Total Requested					-0-			-0-		

COST SUMMARIES	FY 81 AAPL		FY 81 MINIMUM		FY 81 CURRENT	
	(\$000's)	RELATED WORKYRS.	(\$000's)	RELATED WORKYRS.	(\$000's)	RELATED WORKYRS.
US Direct Hire	521.4	10.0	521.4	10.0	521.4	10.0
FN Direct Hire	54.5	12.0	54.5	12.0	54.5	12.0
US Contract Personnel	-	-	-	-	-	-
FN Contract Personnel	27.5	1.5	27.5	1.5	27.5	1.5
Housing	143.2	5.0	143.2	5.0	143.2	5.0
Office Operations	193.4	XXXX	193.4	XXXX	193.4	XXXX
<b>TOTAL REQUEST</b>	<b>940.0</b>		<b>940.0</b>		<b>940.0</b>	
Amount of Trust Fund Included in Total Requested	-0-		-0-		-0-	

1/ USAID/Lesotho was established as a new mission in FY79. The operating expenses of activities in Lesotho prior to FY79 were consolidated within the overall Osarac, Swaziland Budget. Operating expense summary data for FY77/FY78 Lesotho activities will be included in USAID/Swaziland's ABS.

NARRATIVE COMMENTARY ON  
OPERATING EXPENSES

The USAID Mission to Lesotho was established 10/1/78 and this action created, for the first time, a separate cost center for operating expenses related to programs within Lesotho. Prior to FY 79 the operating expenses for Lesotho programs were carried under the Office of Southern Africa Regional Activities Coordination (OSARAC) along with operating expenses of other country programs in the region. Given the change in organizational structure and operating expenses cost centers, it is difficult to analyze cost trends prior to FY 79 for Lesotho.

In looking at the operating expenses trend from FY 79 through FY 81, there is a slight peak in FY 80 due mainly to personnel moves, procurement and travel resulting from the establishment of the new Mission. The lower FY 81 budget level should not be viewed as a leveling off of costs for Mission operations but as an "off" cycle year with the lack of scheduled personnel movements responsible for savings.

The overall Agency restrictions on Personal Services Contracts did not represent a problem in FY 79 due to the Africa Bureau's responsiveness to Mission needs. Since projected O.E. PSC requirements for FY 80 and FY 81 are slightly lower than in FY 79 we believe that there should be no adverse impact on future Mission operations due to this limitation.

As in the case of PSC limitations, the restrictions placed on international operational travel caused no operational problems for the Mission in FY 79. But unlike future PSC costs, we estimate a dramatic increase in FY 80 for travel funds due largely to the policy decision taken by AA/SER to transfer funding responsibility to Missions for AID/W travel related to country programs. Another significant factor of increased travel costs is that Mission USDH staffing will reach its full complement of officers in FY 80 which will result in increased travel for design and training.

While the exchange rate of the Rand to the dollar is currently fluctuating, operating expense cost projections

assumed no significant variance to the current rate of R1.00 equals \$1.19 (approximate). Inflation factors of 8 percent per annum for dollar costs and 12 percent per annum for local currency costs was assumed in operating expenses projections. For USDH salary costs no general wage increases were projected but known periodic step increases were considered.

Operating expense estimates for FNDH employees reflect an increase in staff from nine to twelve. The three new positions would be an Engineering Assistant, a Procurement/Property Assistant in the Management office and clerk typist in the Project Management office. No unusual cost increases for housing or office operations are foreseen beyond increases resulting from inflation and reaching our full complement of USDH officers.

It is USAID/Lesotho policy that expenses related to the support of program funded personnel be included in the approximate project budget and, therefore, no operating expenses funds are budgeted to support program funded personnel.

In reviewing our projected operating expenses, we believe one significant area where operations may be improved and cost savings effected is in the area of office and residential maintenance. Currently USAID/Lesotho participates with the Embassy in the funding of a maintenance contract for the majority of our maintenance requirements. In addition to the contract it is, on occasion, necessary to procure services separately for automotive repairs, painting, etc. The Mission was less than satisfied with the results of the annual maintenance contract negotiations held in FY 79. We plan, therefore, to negotiate a separate contract for AID in FY 80 with a view to both increasing the scope of services and reducing contract costs. Our planning is reflected in the greatly reduced estimates for FAAS (line 58) and increases in the various maintenance line items (lines 33, 39 and 45). Should our negotiations indicate that the FAAS contract is our best option, we will proceed accordingly. Amounts have been shown in our submission for FAAS for AID/W information and to reflect our planning. We note, however, that AID/W may adjust these amounts as indicated in State 124071.

Another area where we plan to conserve operating expense funds is our financial management operation. We believe the optimum operation in terms of financial services

would be a full controller operation at post but this would require a significant increase in staff and therefore increase costs. Our plan is to continue to utilize the accounting and reporting services of the East Africa Accounting Center in Nairobi, thereby limiting our financial management staff requirement to the absolute minimum. We intend to work closely with the EAAC to identify procedures to improve the quality of our financial services in the context of their regional operation but without any increase staff.

Finally, we intend to hold periodic reviews at the Mission Director level of total Mission operations to identify problem areas where improvements can result in operating expense cost savings.

AGENCY FOR INTERNATIONAL DEVELOPMENT  
MISSION USAID/LESOTHO

TABLE VIII (A)  
Page 1 of 3

OPERATING EXPENSE BUDGET DETAIL

Expense Category	Line No.	Object Class	Expenses Related To	FY 80 BUDGET Units	FY 80 BUDGET Amount	FY 81 BUDGET (MAPL Level) Units	FY 81 BUDGET Amount
U.S. DIRECT HIRE							
U.S. Citizens Basic Pay	01	XXX					
Part-time Temp. U.S. Basic Pay	02	110	USDH Workyears	10.0	527.1	10.0	521.4
Differential Pay	03	112	USDH Workyears		322.1		328.4
Living Allowances	04	116			32.2		32.8
All Other CODE 11	05	118	USDH Workyears		-		-
Education Allowances	06	119			1.2		1.5
Retirement - U.S.	07	126	No. of Dependents	7	39.7	6	32.2
All Other CODE 12 - U.S.	08	120			22.5		23.0
Post Assignment - Travel	09	129			9.1		7.6
Post Assignment - Freight	10	212	No. of Assignments	4	12.0		-
Home Leave - Travel	11	22	No. of Assignments	4	33.6		-
Home Leave - Freight	12	212	No. of Assignments	3	15.0	5	31.0
Education Travel	13	22	No. of Assignments	3	10.6	5	18.9
R & R Travel	14	215	No. of Movements	1	3.7	2	8.0
All Other CODE 215 Travel	15	215	No. of Movements	11	15.4	19	27.0
	16	215			10.0		11.0
FOREIGN NATIONAL DIRECT HIRE							
Basic Pay	17	XXX			47.4		54.5
Overtime, Holiday Pay	18	114	FNDH Workyears	11.3	44.5	12.0	49.4
All Other CODE 11 - FN	19	115			.8		1.0
All Code 12 - FN	20	119			-		-
Benefits for Former Personnel	21	129			2.1		4.1
	22	13			-		-
U.S. CONTRACT PERSONNEL							
PASA Technicians	23	XXX			-		-
U.S. Personal Serv. Cont. - Salary & Benefits	24	258	Workyears		-		-
All Other U.S. PSC Costs	25	113	Workyears		-		-
	26	255			-		-
F.N. CONTRACT PERSONNEL							
F.N. Personal Serv. Cont. - Salary & Benefits	27	XXX			27.2		27.5
All Other F.N. PSC Costs	28	113	Workyears	1.5	27.2	1.5	27.5
	29	255			-		-

TABLE VIII (A)  
Page 2 of 3

OPERATING EXPENSE BUDGET DETAIL

Expense Category	Line No.	Object Class	Expenses Related To	FY 80 BUDGET		FY 81 BUDGET (AAPL Level)	
				Units	Amount	Units	Amount
HOUSING	30	XXX					
Rent	31	235	No. of Res. Years	6.5	165.2	5.0	143.2
Utilities	32	235	No. of Res. Years	10.0	59.5	10.0	50.1
Renovation & Maintenance	33	259	No. of Res. Units	10.0	11.8	10.0	14.7
Quarters Allowance	34	127	No. of Allowances	2.0	48.7	10.0	54.2
Purchases - Res. Furnishings & Equipment	35	311	No. of Sets	1.2	3.2	5	11.0
Transportation (Freight) for Code 311	36	22			17.5		11.0
Mission Director	XXX	XXX			3.1		1.5
Rent	37	235					
Utilities	38	235					
Renovation & Maintenance of Residence	39	259			1.5		1.8
Official Residence Allowance	40	254			16.9		6.3
Representation Allowance	41	252			1.5		1.8
OFFICE OPERATIONS	42	XXX					
Rent	43	234			236.2		193.4
Utilities	44	234			9.0		-
Building Maintenance & Renovations	45	259			6.0		7.0
Office Furniture & Equipment	46	310			16.6		18.2
Other Equipment	47	319			29.6		9.5
Transportation (Freight)	48	22			-		.5
Communications	49	230			1.8		.5
Security Guard Services (NON PSCs)	50	259			8.6		9.5
Printing	51	24			12.5		13.4
International - Operational Travel	52	210	No. of Trips	38	.5	25	.8
Domestic - Operational Travel	53	210			89.6		58.5
Charter/Contract Transportation	54	259			9.0		11.0
Vehicles	55	312	No. of Vehicles	2	-	3	27.0
Transportation (Freight) for CODE 312	56	22	No. of Vehicles		19.5		-
Supplies & Materials	57	26			-		-
FAMS	58	257			14.0		16.0
All other CODE 25	59	259			8.0		9.0
					11.5		13.0

OPERATING EXPENSE BUDGET DETAIL

TABLE VIII (A)  
Page 3 of 3

Expense Category	Line No.	Object Class	Expenses Related To	FY 80 BUDGET		FY 81 BUDGET
				Units	Amount	(APPL Level) Units Amount
<b>TOTAL OPERATING EXPENSE BUDGET</b>					1,003.1	940.0
<b>RECONCILE by deducting from line 60 amounts not funded from Mission Allotment (line 65)</b>						
Object Class 11	XX 61	XXX			355.5	362.7
Object Class 12	62				31.3	30.6
Net FMS (from line 58)	63				8.0	9.0
Other Deductions	64				-	-
<b>NET ALLOTMENT REQUIREMENTS</b>	65				608.3	537.7
<b>AID/M APPROVED BUDGET INCREASE (DECREASE)</b>	XX 66	XXX				
	67					
	68					
	69					
	70					
<b>OTHER INFORMATION</b>						
636(C) Requirements	XX 71	XXX				
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: Obligations for Project Design	75	XXX	Workyears	253		128

NET ALLOTMENT REQUIREMENT BY QUARTER - FY 1980:

FIRST QUARTER : \$ 184,000  
 SECOND QUARTER : 134,300  
 THIRD QUARTER : 180,000  
 FOURTH QUARTER : 110,000  
 \$ 608,300

PROJECTED OBLIGATIONS BY MONTH - FY 1980:

OCT	16	%	APR	15	%
NOV	7	%	MAY	-	%
DEC	7	%	JUN	13	%
JAN	17	%	JUL	18	%
FEB	5	%	AUG	1	%
MAR	1	%	SEP	-	%

USAID/LESOTHO  
 FY 1980 NON-EXPENDABLE PROPERTY PROCUREMENT PLAN  
 (O/C 310, 311, 312 & 319)

MOB LINE NO.	OBJECT CLASS CATEG.	DESCRIPTION	NUMBER OF UNITS				Units to be/ Purchased			ACQUISITION COST		COMMENTS
			MAKE-HOUSE	ISSUED	ORDER	TOTAL	C	A	NR	COMMODITY	TRANSPORTATION	
35	311	ONE COMPLETE SET-HOUSE-HOLD FURNITURE	-	10	-	10	1			11,500	500	LOCAL PROCUREMENT
		CLOTHES WASHING MACHINES	4	8	-	12	4			2,000	800	U.S. PROC.
		CLOTHES DRYERS	1	8	-	9	4			1,600	800	U.S. PROC.
		FREEZERS	-	8	-	8	4			2,400	1,000	U.S. PROC.
35	311	SUB-TOTAL							17,500	3,100		

1/ PURCHASE CODE: C = Purchase Based on Condition of Item  
 A = Replacement Based on Age  
 NR = New Requirement Due to Staffing Increase

USAID/LESOTHO  
FY 1980 NON-EXPENDABLE PROPERTY PROCUREMENT PLAN  
 (O/C 310, 311, 312 & 319)

MOB LINE NO.	OBJECT CLASS CATEG.	DESCRIPTION	NUMBER OF UNITS				Units to be / Purchased			ACQUISITION COST		COMMENTS
			WAREHOUSE	ISSUED	ORDER	TOTAL	C	A	NR	COMMODITY	TRANSPORTATION	
46	310	DIESEL GENERATOR WITH SWITCH GEAR	-	-	-	-			1	20,000	1,500	U.S. PROC.
		ADD PERIPHERAL UNIT	-	-	-	-			1	8,500	-	U.S. PROC.
		ELECTRIC TYPEWRITER	-	9	-	9		1		1,100	300	U.S. PROC.
		SUB-TOTAL								29,600	1,800	
55	312	PASSENGER SEDAN	-	4	-	4		1	8,300	-	LOCAL PROC.	
		4WD VEHICLE	-	1	-	1		1	11,200	-	LOCAL PROC.	
		SUB-TOTAL							19,500	-		

1/ PURCHASE CODE: C = Purchase Based on Condition of Item  
 A = Replacement Based on Age  
 NR = New Requirement Due to Staffing Increase

USAID/LESOTHO  
 OFFICIAL RESIDENCE EXPENSES  
 FY 1980 ESTIMATE

A. Number & Type of Full-Time Servants:

Salaries & Related Costs for Each	\$
1. Maid	852.00
2. House Boy	852.00
3. Cook	<u>1,212.00</u>
Sub-Total	\$ 2,916.00
Above costs include Food and transportation allowance	

B. Number & Type of Part-Time Servants:

Salaries & Related Costs for Each	\$
1. One Bartender - @ \$12/month	144.00

C. Costs of Other Authorized Items:\*

<u>ITEM</u>	<u>EST COST</u>
Expendable Household Supplies \$36/month	432.00

TOTALS	\$3,492.00
Less 5% of Base Salary	<u>2,222.00</u>
OE Requirement	<u>1,270.00</u>
Contingency	<u>230.00</u>
Net ORE Requirement	\$1,500.00

\* Include such things as cleaning supplies, paper products, light bulbs, small tools and items of insufficient value to require maintenance of property records.

**USAID/ LESOTHO**  
**INTERNATIONAL OPERATIONAL TRAVEL**  
 (Line No. 52 of OE Budget - O/C 210)  
 FY 1980 - Mission Requested Travel  
 Purpose of Travel and Budget

TABLE VIII (D)

Services To Be Provided By	DESIGN		IMPLEMENTATION		EVALUATION		O T H E R				
	# of TRIPS	AMOUNT	# of TRIPS	AMOUNT	# of TRIPS	AMOUNT	PROJECT RELATED		ADMINISTRATIVE		
							# of TRIPS	AMOUNT	# of TRIPS	AMOUNT	
<u>1. U S A I D</u>											
- DIRECTOR TO U.S. TO OTHER POINTS	1	1.2					1	2.6	2	5.2	
- ALL OTHER STAFF TO U.S. TO OTHER POINTS	1	2.6	2	5.2			1	2.6	6	5.5	
- TRAINING	2	4.0									
- INVITATIONAL			3	7.5							
<u>2. AID/W BASED PERSONNEL</u>	2	8.0	4	10.6			2	7.1	2	8.0	
<u>3. REGIONAL</u>											
MAG/IIIS											
OTHER											
<b>T O T A L S</b>	<b>7</b>	<b>16.9</b>	<b>9</b>	<b>23.3</b>			<b>11</b>	<b>30.2</b>	<b>11</b>	<b>19.2</b>	

**USAID/LESOTHO  
U.S. CONTRACT PERSONNEL - FY 1980  
(Personal Services Contracts)**

Contract No. (Where applicable)	TITLE (Type of Service)	Work Months FY 80	Work Months FY 81	FY 1980		REMARKS
				(MOB Line 25 - o/c 113)	Funding (MOB Line 26 - o/c 255)	
				\$	\$	
		NEGATIVE REPORT: USAID/LESOTHO DOES NOT PLAN ANY US CONTRACT EMPLOYMENT.				

**USAID/LESOTHO  
FOREIGN NATIONAL CONTRACT PERSONNEL - FY 1980  
(Personal Services Contracts)**

Contract No. (Where Applicable)	TITLE (Type of Service)	Work Months FY 80	Work Months FY 81	FY 1980		REMARKS
				(MOB Line 28 - o/c 113)	Funding (MOB Line 29 - o/c 255)	
AID-632-79-03	FINANCIAL MANAGEMENT	12	12	23,300	-0-	TCN EMPLOYEE
N/A	SECRETARIAL SERVICES	6	6	3,900	-0-	INTERMITTENT REQUIREMENT
				\$	\$	

NARRATIVE STATEMENT ON  
ACQUISITION OF AUTOMATIC DATA PROCESSING EQUIPMENT

USAID/Lesotho's primary interest in ADP equipment stems from our financial management operation which utilizes the accounting and reporting services of the East Africa Accounting Center in Nairobi, Kenya. Our purpose in exploring the possibilities of ADP use in Maseru is to improve the timeliness and accuracy of financial information processed in Nairobi. We intend to explore the potential of compatible peripheral equipment to EAAC's NCR-499 for data encoding and possibly on line data transmission. We will also review how the use of ADP equipment can assist in shortening disbursement documentation and processing time through EAAC and RFC, Paris.

At this stage we believe there is a role for ADP equipment to play in the improvement of our operations but clear definition of that role can only be accomplished through a thorough review of alternative applications which will be undertaken during the last quarter of FY 79. The Mission plans procurement early in FY 80 after receiving the appropriate AID/W approvals. Funding for this acquisition is included in USAID/Lesotho's operating expense estimates at the "minimum" program level as this need is viewed as a fundamental requirement of our operations.

In the ideal we would identify equipment which, through its compatibility with EAAC's NCR-499, would not only improve our financial management operation but also provide opportunities for non-expendable property inventory control and utilization of other existing software systems developed in Nairobi.

TABLE VIII.A.

ADP SYSTEMS INVENTORY

	(\$000)							
	Fiscal Year							
	1979		1980		1981			
\$	TF	TOT	\$	TF	TOT	\$	TF	TOT
1. <u>Capital Investments</u>								
A. Purchase of ADP Equipment				8.5		8.5		
B. Purchase of Software				2.5		2.5		
C. Sub-Total				11.0		11.0		
2. <u>Personnel 2/</u>								
A. Compensation, benefits, travel								
B. Workyears								
C. Sub-Total				-		-		
3. <u>Equipment Rental and Other Operating Costs</u>								
A. ADP Equipment (ADPE) Rentals 3/								
B. Supplies and Leased Software								
C. Sub-Total				-		-		
4. <u>Commercial Services</u>								
A. ADP Service Bureau 4/								
B. Systems Analysis and Programming								
C. ADPE Maintenance (If separate from item 3.A)								
D. Sub-Total				-		-		
5. <u>Total Obligations</u> - (Sum of 1C, 2C, 3C, & 4D)				11.0		11.0		
6. <u>Interagency Services 5/</u>								
A. Payments								
B. Offsetting Collections								
C. Sub-Total								
7. <u>Grand Total</u> - (Sum of 5 plus 6C)				11.0		11.0		

Decision Unit USAID/LESOTHO

DIRECT HIRE POSITION REQUIREMENTS

FY 1979 - 1981

The position requirements of USAID/Lesotho have been developed in terms of the country program and the absolute minimum requirements to support that program. A fundamental factor in our personnel planning is the difficulty in obtaining MODE approval for additional direct hire positions. This factor has forced the Mission to structure positions to address the most critical needs and to depend more heavily on support from regional organizations - which is not the best approach for efficient operations. It is clear, for example, from reviewing Table VII that the Mission will not have an in-house capability for project design beyond the limited availability of the Program Office (the second position in the Program Office is structured as Assistant Program Officer/Project Development Officer). Also the Assistant Director will double as the Agriculture Officer with a program that should, in our judgement, receive the efforts of two officers. Should the Africa Bureau or the Mission be successful in their representations for increase positions, these two areas would be the Mission's top priority for additional staff.

The portfolio of activities depicted in the "minimum" decision package in Table V will be guided by the project management efforts of the Assistant Director (Agriculture), Human Resources Officer, Engineer, and General Development Officer (IDI) with some assistance from the Assistant Program Officer. Also, because almost every project in the portfolio will have a construction component and due to the very heavy management demands of the Southern Perimeter Road Project (690-0076) and the Rural Access Roads and Trails Project (632-0205) a position for a local Engineering Assistant has been included to permit improved utilization of the Mission's USDH Engineer.

The Controller and Management area will be staffed with one USDH each - an absolute minimum in our view. The financial management operation will continue to utilize the accounting and reporting services of the East Africa Accounting Center in Nairobi with a limited in-house staff of a TCN Accountant, Voucher Examiner and Clerk Typist. The Mission Support FNDH staff will consist of a Receptionist, Communications and Records Assistant, Procurement/Property Assistant, GSO Assistant, and a Messenger.

A review of Table IX indicates that the Mission plans no

incremental workforce increase for the current or AAPL program levels. This is due to the nature of the funding increases at the expanded program levels. The expanded levels represent largely a move to more fully fund projects, in keeping with Africa Bureau guidance, with only one additional activity included at each level above the minimum program level (Shelter Development and Community Planning 632-0203 and PL-480 Title III).

In summary, the Mission views 10 USDH and 12 FNDH as the minimum staff required to effectively manage the program. Should a mechanism be found to permit an increased MODE level, we would urge AID/W to give consideration to the assignment of an Assistant Agriculture Officer and Project Development Officer.

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING  
 POSITION REQUIREMENTS - FY 1979 - 1981  
 (By Function, Organizational Unit, Position Title and Professional Speciality)

DECISION UNIT  
 USAID/LESOTHO  
 DECISION PACKAGE

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS											
	FY 1979		FY 1980		Minimum		Current		AAPL			
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH		
<b>EXECUTIVE DIRECTION</b>												
<u>Director's Office</u>												
Director	1		1		1							
Assistant Director/Agriculture	1		1		1							
All Other (Non-professional)	1		1		1							
Subtotal Executive Direction	3		3		3							
<b>PROGRAM PLANNING</b>												
<u>Program Office</u>												
Program Officer	1		1		1							
Assistant Program Officer	1		1		1							
All Other (Non-professional)		1		1		1						
Subtotal Program Planning	2	1	2	1	2	1						
<b>PROJECT DESIGN AND IMPLEMENTATION</b>												
<u>Project Management Office</u>												
Human Resources Officer	1		1		1							
Engineer	1		1		1							
General Development Officer (IDI)	1		1		1							

AID 1330-18 (3-79)

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING  
 POSITION REQUIREMENTS - FY 1979 - 1981  
 (By Function, Organizational Unit, Position Title and Professional Specialty)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALTY	NUMBER OF POSITIONS										
	FY 1979		FY 1980		FY 1981						
	USDH	FNDH	USDH	FNDH	Minimum		Current		AAPL		
				USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
Engineering Assistant				1			1				
All Other (Non-professional)		2		3			3				
Subtotal Project Design and Implementation		2		3			3				
	3	2	3	4			4				
<b>FINANCIAL MANAGEMENT</b>											
<u>Controller's Office</u>											
Controller											
All Other (Non-professional)		2		2			2				
Subtotal Financial Management		2		2			2				
	1	2	1	2	1		2				
<b>MISSION SUPPORT</b>											
<u>Management Office</u>											
Management Officer											
All Other (Non-professional)		4		5			5				
Subtotal Mission Support		4		5			5				
	1	4	1	5	1		5				
Total Increment	10	9	10	12	10		12				
Cumulative Total	10	9	10	12	10		12				

FY 1981 ANNUAL BUDGET SUBMISSION  
PROJECT BUDGETS AND PERCENTAGES OF OBLIGATIONS  
TO MEET SPECIAL CONCERNS  
(BUDGETS IN THOUSANDS OF DOLLARS)

TABLE X

DECISION UNIT: 632 LESOTHO

PROJECT NUMBER AND TITLE: 6320048 LAND AND WATER RESOURCES DEVELOPMENT APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1979 - \$ 390 BUDGET IN ABS: FY 1979 - \$ \_\_\_\_\_  
 FY 1980 - \$ 0 FY 1980 - \$ 42  
 FY 1981 - \$ \_\_\_\_\_

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET IN CP	1979 BUDGET IN ABS	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN ABS
1422	ENVR	46%	<u>40</u> %	0%	<u>40</u> %	<u>40</u> %
1383	XIIS	46%	<u>40</u> %	0%	<u>40</u> %	<u>40</u> %
ADD			%		%	%
ADD			%		%	%

PROJECT NUMBER AND TITLE: 6320048 LAND & WATER RESOURCES DEV APPROPRIATION: SECURITY SUPPORTING ASSISTANCE

A. BUDGET IN CP: FY 1979 - \$ 0 BUDGET IN ABS: FY 1979 - \$ \_\_\_\_\_  
 FY 1980 - \$ 42 FY 1980 - \$ 40  
 FY 1981 - \$ \_\_\_\_\_

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET IN CP	1979 BUDGET IN ABS	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN ABS
1024	ENVR	0%	<u>0</u> %	50%	<u>0</u> %	<u>0</u> %
1023	XIIS	0%	<u>0</u> %	50%	<u>0</u> %	<u>0</u> %
ADD			%		%	%
ADD			%		%	%

FY 1981 ANNUAL BUDGET SUBMISSION  
PROJECT BUDGETS AND PERCENTAGES OF OBLIGATIONS  
TO MEET SPECIAL CONCERNS  
(BUDGETS IN THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 632005H RURAL HEALTH DEVELOPMENT APPROPRIATION: HEALTH

A. BUDGET IN CP: FY 1979 - \$ 600 BUDGET IN ABS: FY 1979 - \$ 0  
 FY 1980 - \$ 0 FY 1980 - \$ 300  
 FY 1981 - \$ 550

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET IN CP	1979 BUDGET IN ABS	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN ABS
1410	PARA	100%		0%	100%	100%
ADD						
ADD						

PROJECT NUMBER AND TITLE: 632005B RURAL HEALTH DEVELOPMENT APPROPRIATION: POPULATION PLANNING

A. BUDGET IN CP: FY 1979 - \$ 200 BUDGET IN ABS: FY 1979 - \$ 0  
 FY 1980 - \$ 0 FY 1980 - \$ 63  
 FY 1981 - \$ 50

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET IN CP	1979 BUDGET IN ABS	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN ABS
1026	PARA	50%	50%	0%	50%	50%
ADD						
ADD						

60-B

FY 1981 ANNUAL BUDGET SUBMISSION  
PROJECT BUDGETS AND PERCENTAGES OF OBLIGATIONS  
TO MEET SPECIAL CONCERNS  
(BUDGETS IN THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 6320058 RURAL HEALTH DEVELOPMENT APPROPRIATION: SECURITY SUPPORTING ASSISTANCE

A. BUDGET IN CP: FY 1979 - \$ 0 BUDGET IN ABS: FY 1979 - \$ 0  
 FY 1980 - \$ 512 FY 1980 - \$ 0  
 FY 1981 - \$ 0

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET IN CP	1979 BUDGET IN ABS	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN ABS
1025	PARA	0%	0%	100%	0%	0%
ADD						
ADD						

PROJECT NUMBER AND TITLE: 6320061 INSTRUCTIONAL MATERIALS RESOURCE CENTER APPROPRIATION: EDUCATION AND HUMAN RESOURCES

A. BUDGET IN CP: FY 1979 - \$ 250 BUDGET IN ABS: FY 1979 - \$ 434  
 FY 1980 - \$ 0 FY 1980 - \$ 484  
 FY 1981 - \$ 600

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET IN CP	1979 BUDGET IN ABS	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN ABS
1413	WID	40%	40%	0%	40%	40%
ADD						
ADD						

60-C

FY 1981 ANNUAL BUDGET SUBMISSION  
PROJECT BUDGETS AND PERCENTAGES OF OBLIGATIONS  
TO MEET SPECIAL CONCERNS  
(BUDGETS IN THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 6320061 INSTRUCTIONAL MATERIALS RESOURCE CENTER APPROPRIATION: SECURITY SUPPORTING ASSISTANCE

A. BUDGET IN CP: FY 1979 - \$ 0 BUDGET IN ABS: FY 1979 - \$ \_\_\_\_\_  
 FY 1980 - \$ 684 FY 1980 - \$ \_\_\_\_\_  
 FY 1981 - \$ \_\_\_\_\_

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET IN CP	1979 BUDGET IN ABS	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN ABS
1051	W10	0%	_____ \$	44%	_____ \$	_____ \$
ADD			_____ \$		_____ \$	_____ \$
ADD			_____ \$		_____ \$	_____ \$

PROJECT NUMBER AND TITLE: 6320065 FARMING SYSTEMS RESEARCH

APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1979 - \$ 1000 BUDGET IN ABS: FY 1979 - \$ \_\_\_\_\_  
 FY 1980 - \$ 0 FY 1980 - \$ 1583  
 FY 1981 - \$ 1764

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET IN CP	1979 BUDGET IN ABS	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN ABS
1416	X11R	100%	_____ \$	0%	_____ \$	_____ \$
ADD			_____ \$		_____ \$	_____ \$
ADD			_____ \$		_____ \$	_____ \$

FY 1981 ANNUAL BUDGET SUBMISSION  
PROJECT BUDGETS AND PERCENTAGES OF OBLIGATIONS  
TO MEET SPECIAL CONCERNS  
(BUDGETS IN THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 6320065 FARMING SYSTEMS RESEARCH APPROPRIATION: SECURITY SUPPORTING ASSISTANCE

A. BUDGET IN CP: FY 1979 - \$ 0 BUDGET IN ABS: FY 1979 - \$ \_\_\_\_\_  
 FY 1980 - \$ 1583 FY 1980 - \$ \_\_\_\_\_  
 FY 1981 - \$ \_\_\_\_\_

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET		1980 BUDGET		1981 BUDGET	
		IN CP	IN ABS	IN CP	IN ABS	IN ABS	IN ABS
1022	XIIB	0%	0%	100%	0%	0%	0%
ADD							
ADD							

PROJECT NUMBER AND TITLE: 6320069 SOUTHERN AFRICA MANPOWER DEVELOPMENT APPROPRIATION: EDUCATION AND HUMAN RESOURCES

A. BUDGET IN CP: FY 1979 - \$ 500 BUDGET IN ABS: FY 1979 - \$ \_\_\_\_\_  
 FY 1980 - \$ 0 FY 1980 - \$ 2,800  
 FY 1981 - \$ 3,400

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET		1980 BUDGET		1981 BUDGET	
		IN CP	IN ABS	IN CP	IN ABS	IN ABS	IN ABS
1408	LTRN	30%	30%	0%	30%	30%	30%
1004	LTR0	30%	30%	0%	30%	30%	30%
1005	LTRU	40%	40%	0%	40%	40%	40%
ADD							
ADD							

FY 1981 ANNUAL BUDGET SUBMISSION  
PROJECT BUDGETS AND PERCENTAGES OF OBLIGATIONS  
TO MEET SPECIAL CONCERNS  
(BUDGETS IN THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 6320069 MANPOWER DEV & TRNG APPROPRIATION: SECURITY SUPPORTING ASSISTANCE

A. BUDGET IN CP: FY 1979 - \$ 1500 BUDGET IN ABS: FY 1979 - \$ 0  
 FY 1980 - \$ 3200 FY 1980 - \$ 0  
 FY 1981 - \$ 0 FY 1981 - \$ 0

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET IN CP	1979 BUDGET IN ABS	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN ABS
1001	LTRN	0%	0%	31%	0%	0%
1002	LTR0	0%	0%	31%	0%	0%
1003	LTRU	0%	0%	34%	0%	0%
ADD						
ADD						

60 . T

PROJECT NUMBER AND TITLE: 6320080 NATIONAL UNIVERSITY OF LESOTHO APPROPRIATION: SECURITY SUPPORTING ASSISTANCE

A. BUDGET IN CP: FY 1979 - \$ 0 BUDGET IN ABS: FY 1979 - \$ 0  
 FY 1980 - \$ 900 FY 1980 - \$ 0  
 FY 1981 - \$ 0 FY 1981 - \$ 0

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET IN CP	1979 BUDGET IN ABS	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN ABS
1414	W10	0%	0%	33%	0%	0%
ADD						
ADD						

FY 1981 ANNUAL BUDGET SUBMISSION  
PROJECT BUDGETS AND PERCENTAGES OF OBLIGATIONS  
TO MEET SPECIAL CONCERNS  
(BUDGETS IN THOUSANDS OF DOLLARS)

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

A. BUDGET IN CP: FY 1979 - \$ 1000 BUDGET IN ABS: FY 1979 - \$ 3,600

FY 1980 - \$ 0 BUDGET IN ABS: FY 1980 - \$ 1,200

FY 1981 - \$ 2,500

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET IN CP	1979 BUDGET IN ABS	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN ABS
1381	ATNL	50%	50%	0%	50%	50%
1412	ENVR	50%	50%	0%	50%	50%
ADD						
ADD						

PROJECT NUMBER AND TITLE: 6320088 RURAL WATER & SANITATION APPROPRIATION: SECURITY SUPPORTING ASSISTANCE

A. BUDGET IN CP: FY 1979 - \$ 0 BUDGET IN ABS: FY 1979 - \$ 0

FY 1980 - \$ 1196 BUDGET IN ABS: FY 1980 - \$ 0

FY 1981 - \$ 0

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET IN CP	1979 BUDGET IN ABS	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN ABS
1028	ENVR	0%	0%	50%	0%	0%
ADD						
ADD						

60-6

PROJECT BUDGETS AND PERCENTAGES OF OBLIGATIONS  
 TO MEET SPECIAL CONCERNS  
 (BUDGETS IN THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 6320101 PRODUCE MARKETING CORPORATION APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1979 - \$ 550 BUDGET IN ABS: FY 1979 - \$ 1,000  
 FY 1980 - \$ 0 FY 1980 - \$ 2,196  
 FY 1981 - \$ 1,905

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 RUDGET IN CP	1980 RUDGET IN ABS	1981 RUDGET IN ABS
1415	XIIR	100%	100%	100%
ADD				
ADD				

PROJECT NUMBER AND TITLE: 6320101 PRODUCE MARKETING CORPORATION APPROPRIATION: SECURITY SUPPORTING ASSISTANCE

A. BUDGET IN CP: FY 1979 - \$ 2396 BUDGET IN ABS: FY 1979 - \$ 1,000  
 FY 1980 - \$ 2396 FY 1980 - \$ 1,000  
 FY 1981 - \$ 1,000

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 RUDGET IN CP	1980 RUDGET IN ABS	1981 RUDGET IN ABS
1029	XIIF	0%	100%	100%
ADD				
ADD				

FY 1981 ANNUAL BUDGET SUBMISSION  
PROJECT BUDGETS AND PERCENTAGES OF OBLIGATIONS  
TO MEET SPECIAL CONCERNS  
(BUDGETS IN THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 6320201 AGRICULTURAL SURVEY/STATISTICS APPROPRIATION: SECURITY SUPPORTING ASSISTANCE

A. BUDGET IN CP: FY 1979 - \$ 0 BUDGET IN ABS: FY 1979 - \$ 0  
 FY 1980 - \$ 300 FY 1980 - \$ 0  
 FY 1981 - \$ 0 FY 1981 - \$ 0

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET IN CP	1979 BUDGET IN ABS	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN ABS
1421	XIIS	0%	0%	100%	0%	0%
ADD						
ADD						

PROJECT NUMBER AND TITLE: 6320202 SMALL SCALE ENTERPRISES APPROPRIATION: SECURITY SUPPORTING ASSISTANCE

A. BUDGET IN CP: FY 1979 - \$ 0 BUDGET IN ABS: FY 1979 - \$ 0  
 FY 1980 - \$ 600 FY 1980 - \$ 0  
 FY 1981 - \$ 0 FY 1981 - \$ 0

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET IN CP	1979 BUDGET IN ABS	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN ABS
1409	PVOU	0%	0%	100%	0%	0%
ADD						
ADD						

G.I

PROJECT BUDGETS AND PERCENTAGES OF OBLIGATIONS  
 TO MEET SPECIAL CONCERNS  
 (BUDGETS IN THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 6320204 ACCELERATED LAND PROTECTION APPROPRIATION: SECURITY SUPPORTING ASSISTANCE

A. BUDGET IN CP: FY 1979 - \$ 0 BUDGET IN ABS: FY 1979 - \$ \_\_\_\_\_  
 FY 1980 - \$ 750 FY 1980 - \$ \_\_\_\_\_  
 FY 1981 - \$ \_\_\_\_\_

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET IN CP	1979 BUDGET IN ABS	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN ABS
1418	ENVR	0%	0%	100%	0%	0%
ADD						
ADD						

60-J

PROJECT NUMBER AND TITLE: 6320206 ALTERNATIVE ENERGY RESOURCES DEV APPROPRIATION: SELECTED DEVELOPMENT ACTIVITIES

A. BUDGET IN CP: FY 1979 - \$ 574 BUDGET IN ABS: FY 1979 - \$ 774  
 FY 1980 - \$ 0 FY 1980 - \$ 500  
 FY 1981 - \$ 241

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET IN CP	1979 BUDGET IN ABS	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN ABS
1417	ENER	100%	100%	0%	100%	100%
ADD						
ADD						

FY 1981 ANNUAL BUDGET SUBMISSION  
PROJECT BUDGETS AND PERCENTAGES OF OBLIGATIONS  
TO MEET SPECIAL CONCERNS  
(BUDGETS IN THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 6320208 GRAZING LAND MANAGEMENT APPROPRIATION: SECURITY SUPPORTING ASSISTANCE

A. BUDGET IN CP: FY 1979 - \$ 0 BUDGET IN ABS: FY 1979 - \$           
 FY 1980 - \$ 1652 FY 1980 - \$           
 FY 1981 - \$         

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

ADP ITEM	CONCERN CODE	1979 BUDGET		1980 BUDGET		1981 BUDGET	
		IN CP	IN ABS	IN CP	IN ABS	IN ABS	IN ABS
1420	ENVR	0%	0%	13%	0%	0%	0%
1382	XIIS	0%	0%	40%	0%	0%	0%
ADD							
ADD							

6-K

TABLE X SPECIAL CONCERNS - ADDITIONAL PROJECTS

DECISION UNIT: USAID/LESOTHO

PROJECT NUMBER AND TITLE: 632-0064 LASA APPROPRIATION: FA

CONCERN CODE	PERCENTAGE OF BUDGET		CONCERN CODE	PERCENTAGE OF BUDGET	
	1979	1980		1979	1980
<u>ENVR</u>	<u>10%</u>	<u>10%</u>	<u>XIIB</u>	<u>20%</u>	<u>20%</u>

PROJECT NUMBER AND TITLE: 632-0204 ACCELERATED LAND PROTECTION APPROPRIATION: FA

CONCERN CODE	PERCENTAGE OF BUDGET		CONCERN CODE	PERCENTAGE OF BUDGET	
	1979	1980		1979	1980
<u>ENVR</u>	<u>0%</u>	<u>100%</u>		<u>0%</u>	<u>0%</u>

PROJECT NUMBER AND TITLE: 632-0208 GRAZING LANDS MANAGEMENT APPROPRIATION: FA

CONCERN CODE	PERCENTAGE OF BUDGET		CONCERN CODE	PERCENTAGE OF BUDGET	
	1979	1980		1979	1980
<u>ENVR</u>	<u>0%</u>	<u>10%</u>	<u>XIIS</u>	<u>40%</u>	<u>40%</u>

PROJECT NUMBER AND TITLE: 632-0080 NATIONAL UNIVERSITY OF LESOTHO APPROPRIATION: EA

CONCERN CODE	PERCENTAGE OF BUDGET		CONCERN CODE	PERCENTAGE OF BUDGET	
	1979	1980		1979	1980
<u>WID</u>	<u>0%</u>	<u>30%</u>		<u>0%</u>	<u>0%</u>

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## INTRODUCTION

The proposed multifaceted PL 480 program addresses basic human needs through nutrition assistance to vulnerable groups. It addresses the economic dependency and employment problems through food for work, both as a separate activity and in conjunction with our conservation projects. The Title III aspect of the program addresses structural weaknesses, and provides the Government of Lesotho with resources to implement some of the difficult policy decisions required to initiate removal of structural weaknesses. Finally, as a hedge against the possibility of shocks from uncontrollable economic events in South Africa, the mission proposes for FY 81 a government Title II contribution to Lesotho's strategic grain reserve.

Grain harvests, with maize, wheat, and sorghum being the staples, fluctuate wildly from year to year. Most years, they account for 45 - 55% of Lesotho's needs. For FY 78-79 total wheat production is estimated at 47,000 tons, or 40% of requirements. Maize production in FY 78-79, at 62,000 tons, is lower than average by about 30%. Imports for FY 78-79 are 55,000 tons. Assuming that weather is normal in 1979-1980, then import levels, reflecting the production shortfalls of 1978-1979 are estimated at 60-70,000 tons for wheat, and 70-90,000 tons for corn.

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 is attempting mechanization on large plots. In others, they are trying to increase small farmer outputs through increased and improved inputs, extension services, and improved marketing.

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 consistent 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. Given these problems, the mission believes realistic expectations of self-sufficiency must await at least one, and perhaps several decades.

While the more dramatic presentations of malnutrition (e.g. the pot-belly, skin and hair changes of "florid kwashiorkor") have low incidence, there exist various degrees of nutritional disorder in approximately one-third of the nation's families. The disorders are most prevalent in certain at risk groups which in Lesotho include children under five years of age, expectant mothers, families of crippled miners, etc. The best available information on the universal sets--mothers, children, and families is as follows:

- Children: 20% of under-fives are chronically malnourished below their full growth potential (11% in Maseru: 25% in the Mountains). (UCLA, 1976).
- Mothers: 5% are undernourished (but 21% are obese!) 5% are suffering from goitre (was 15% in 1956). (UCLA, 1976).
- Families: 33% of all families probably experience a shortfall in their basic energy requirements (in 1976 they received a monthly income in cash and kind of less than R40 per month for a 4.3 member household). (UC-NUL, 1978).

## TITLE II - VOLUNTARY AGENCY

Pre-school children are regarded as the most seriously at risk group and thus are one of the two major focuses of the CRS Title II program. Of an estimated 200,000 children in the group, 65,000 are reached through the program's network of 64 pre-school clinics and 82 outstations 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.

It is 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." (Government memo). Nevertheless, the children remain in the at risk category and we should maintain the program until the children no longer become seriously at risk.

While the program is focused in the lowlands areas, it is the mountainous area where the children are most at risk and the incidence of malnutrition are highest. Efforts to reach these children are hampered by transportation and storage difficulties. The question of addressing these difficulties is under review and if an approach is found feasible, an outreach grant will be requested.

Under the second basic aspect of the CRS program, food for work, soil and water conservation projects 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. 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 requested for FY 80 is 11,400, an increase from the 9,500 requested in FY 79. The requests for FY81 and FY82 will remain stable at 11,400.

## TITLE II - GOVERNMENT TO GOVERNMENT

Prior to completion of a flour mill/silo complex in Maseru in December 1978, even Lesotho's own wheat was milled in South Africa and reimported along with much larger quantities of normal imports of wheat products.

While Lesotho can now mill its own wheat crop, it is still a net importer of all staple foodstuffs (maize, sorghum, and wheat). The flour mill/silo project will have to rely on imports of wheat grain for some time. The danger of restrictions on supplies from the major supplier-- South Africa--is always present.

The inherent difficulty of Lesotho's position, within South Africa, has all along been exacerbated by the apartheid policy of the South African administration. This tension increased markedly following Lesotho's refusal to recognize the Transkei as an independent country and pressure from South Africa on Lesotho, such as the withdrawal of grain subsidies in 1977, has increased.

In addition to threats to grain supplies based on political concerns, Lesotho encountered a drought about once in every five years. And with increasing internal tensions with South Africa, Lesotho may encounter shortages later in the 1980's based on supply and transport disruptions in South Africa.

In these circumstances Lesotho is given priority to the implementation of projects, including the flour mill/silo complex itself, which will help it resist current pressures and give it some degree of greater independence from South Africa. One of these projects is the establishment of a wheat reserve of up to 20,000 tons. The reserve would help safeguard the country's normal supply position in the event of an interruption in supplies from South Africa as well as in the event of other emergencies.

A reserve of 20,000 tons represents roughly one month of total national cereal consumption. The reserve would give Lesotho time to obtain alternative supplies should normal supplies be interrupted.

### Policy and procedures governing acquisition and release of reserve.

The reserve will be owned by the Government of Lesotho as represented by the Food Management Unit. It will be held in the silos of the flour mill/silo company. No storage or maintenance charges will be made by the flour mill/silo company for holding reserve stock as these charges will be offset against the advantages to the company of the capital input of the grain.

The donor stocks will always remain an identifiable physical stock of grain, thus appreciating and depreciating in value with market prices. Replacement of stocks on a ton for ton basis can therefore continue without regard to fluctuations in wheat grain prices.

All transfers from reserve stock to mill, which will be made on a 'first-in first-out basis' with due regard to the mixing requirements of the mill of various types of grain, will be made on a purely tonnage .

basis, i.e., when the mill draws one ton it automatically replaces one ton of similar quality. No cash sales to the mill of donor stocks will be involved. This will ensure adequate rotation of stock and constant replenishment to the 20,000 ton level.

Should emergency utilization of the reserve (without automatic replenishment) be necessary this will be on the basis of an arrangement for use of wheat flour between the flour mill and Government.

A system of accounting for stock on a tonnage basis for amounts held, based on monthly reports from the Flour Mill/Silo Company, between FMU and the company, will be established.

#### Local Executing Machinery

Overall execution of the project will be by the office of the Prime Minister through the Food Management Unit. The Flour Mill/Silo Company will own the mill and silos. Initially the company will be wholly owned by Government but, while retaining a controlling interest, it is planned that the company will have some private participation.

The British Government is to provide a General Manager, Deputy General Manager and the Company Secretary for three years. The British Government is also to provide a complete operating team for both the mill and silos for one year or until local staff are trained to take over.

The Food Management Unit will be represented on the Board of Directors of the Flour Mill/Silo Company.

#### Duration of Assistance.

Donors are requested to provide an initial contribution, in the form of a grant, to the National Wheat Reserve, possibly in a single shipment. Donors would exercise a continuing surveillance over the project for five years in consultation with the government.

#### Mode of distribution of food.

Rotation of the reserve will be through the production of the mill thus ensuring adequate turn-over of stocks.

Emergency distribution of the reserve, depending on circumstances, would be the subject of a separate request to donors for replenishment. Government will be guided by the WFP/CFA definition of emergencies for utilization in an emergency which is "urgent situations in which there is clear evidence that an event has occurred which causes human suffering or loss of

livestock which the government concerned has not the means to remedy; and it is demonstrably an abnormal event which produces dislocation in the life of the community on an exceptional scale."

Provision for working non-food costs.

The FMU will incorporate in its budget the costs of supervision of this project.

The Flour Mill/Silo Company will make the necessary budgetary provisions for handling, fumigation, etc., within the mill/silo premises.

The Government of Lesotho has formally requested of the WFP a contribution of 7,500 tons. It has informally approached USAID/Lesotho for a similar contribution. Any further discussions will be coordinated with the WFP.

### TITLE III

Lesotho is a prime candidate for a Title III program. It is a landlocked LLDC with serious agricultural problems. It sustains major food deficits. Conversion of Lesotho's wheat into wheaten products and distribution to Basotho as food is largely in the hands of South Africa. Lesotho wants to assume this role itself. The role land tenure plans in agricultural production is at issue and the government is considering basic changes in policy or at least the ways land allocations are made within the current policy context. Marginal lands on mountainsides are being farmed with increasing intensity and destructiveness. These should be taken out of crop production and returned to grass, although the farmers will protest vigorously and demand compensation. Simultaneous with excess cattle and overgrazing, Lesotho could benefit greatly from increased meat production for internal consumption and export. Basic policy and institutional changes could be required here also. As explained below, the changes in the organization of meat and cereal production involved in the basic policy changes envisioned require funding inputs that are of a magnitude that A.I.D. could support only through a Title III program. Further, the problems involved and the proposed solutions are of a programmatic as opposed to a project nature. The food network represents the most likely, if not the only, sector where Lesotho possesses the resources to manage program type assistance.

The historical relationship of general dependency on South Africa, the increasing economic and political tensions in southern Africa, and the particular susceptibility of Lesotho to specific economic pressures that may be applied to gain support of South African policies has increased Lesotho's emphasis on activities which help reduce vulnerability to current pressures, which give a greater degree of independence from South Africa, and which provide for greater employment at home. This activity, insofar as it helps reduce vulnerability to current pressures while increasing employment and production, thus supports the U.S.'s basic interests in Lesotho's economic security as well as in her development.

The purpose of the activity is to stimulate an eventual increase in cereal and meat production and distribution through generation of Title III funds for development purposes. The processing of Title III wheat would serve to support Lesotho's efforts in developing self-sufficiency in grain processing by supplementing the domestic supply and keeping the recently completed flour mill near to full operating capacity. Title III corn would be used, on a limited short term basis, to provide feed for feed lot operations now in the development stage.

The revenues generated from Title III sales would be used to develop (1) food processing and distribution capabilities and (2) further the conversion of livestock from a factor of wealth to a factor of production and income. Included among several target activities to be supported is the establishment of a working capital base for the purchase and resale of agricultural inputs for the Produce Marketing Corporation (PMC). After extensive delays due to resolution of thorny policy questions, A.I.D. is now in the process of finalizing development of this project (632-0101) to strengthen this institution through provision of TA, facilities, training, commodities and a share of the working capital. The Government also has agreed to provide working capital and needs funding sources. Similar inputs would be inserted into livestock marketing and processing and, perhaps, for support of a "livestock credit" scheme as envisaged by Horowitz (The Sociology of Pastoralism, and African Livestock Projects; Michael M. Horowitz, AID/04R-147-78-48). A third basic approach would be compensation for the losers (over the short to medium term) involved in taking marginal crop lands out of production plus funding for reconversion of these lands to grass.

Discussions regarding Title III have been underway with the Government of Lesotho for over a year. The Government's Central Planning and Development Office has requested the Ministry of Agriculture to provide an initial review of policy changes that could be supported along with funding and activity implications. This review is expected shortly.

The Title III grant will supply both corn and wheat. Operationally, the wheat will be fed through existing baking and distribution networks. These will be greatly expanded as part of the program. The corn will be stored and processed at a new modern maize mill now under development adjacent to the flour mill/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 \$1,200,000 in animal feed stuffs now imported annually,

The effort, taken in conjunction with the many other efforts in the feed and livestock sector, is an essential component of an integrated program giving promise of dynamizing Lesotho's crop and livestock sectors.

CATHOLIC RELIEF SERVICES - LESOTHO

P.O. BOX MS 159

MASERU, LESOTHO

PROGRAM PLAN OF OPERATION, FY 80, 81, 82

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  
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	:	2 Basotho
End Use Checker	:	1 Masotho
Support Staff	:	6 Basotho

In addition, CRS/Lesotho intends to hire:

Pre-school Supervisor	:	2
Support Staff	:	2 in FY - 79

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.81 or FY.82.

#### B. AREA - SCOPE - CONDITIONS OF OPERATIONS

Lesotho is considered one of the poorest countries in Africa. Its per capita GNP is about \$170. It is a mountainous, temperate, treeless country with only 13% 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's 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.

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 PCM.

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 to 5. This estimate is a rough figure.

CRS's response to this situation is to continue the pre-school 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's long term intention to expand the activity so that the percentage of at risk children in the 0-5 group drops 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 services 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
- (5) Distribution of food supplements

The clinics and outstations are reaching approximately 65,000 children annually, providing NFDM, bulgur and oil for the children and 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% over eight hours.

The clinics are solely self-supported by local contributions of RO.35 to RO.50 per child per monthly visit. This money is used to pay recurring expenditure.

The clinics 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 65,000 children annually, based on attendance figures in December 1978. Despite manpower supply and travel problems it appears, therefore, that the targeted AER level will be reached in FY.79 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 CSR 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 CRS-Sub-Sahara Africa Regional Office OTR 1567. At present, 30% of the clinics are using this chart, covering approximately 10,000 children. It is estimated that 55,000 children will be using this chart by the end of FY-80.

- (2) In an effort to alleviate clinic saturation in the low lands as well as problems in the mountains, CRS plans to develop a pilot program to take the nutrition activities, i.e. food distribution, weighing of children and nutrition education, though still tied to the clinics, outside the setting. Unfortunately manpower shortages prevented the development of the program in FY-78 but it is hoped that circumstances will permit it during the current year.
- (3) In keeping with USAID recommendations, ration rates were increased in FY-79 to help meet MTDs. Unfortunately, due to the lag in the ordering, use and measurement of this increase, the effect is not likely to be observable until later in the current year.
- (4) In FY-79, one commodity, CSM, was eliminated to facilitate core education on nutrition and to eliminate supply problems arising from the utilization of commodities.
- (5) To provide adequate remuneration to staff and to obtain additional resources for the maintenance of mountain programs, the recipient contribution was raised from the 25 to 35 cent range to 50 cents.
- (6) Agreements between individual clinics and CRS are being redesigned 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.
- (7) A working copy has been developed of core material that will have to be taught at each distribution point on local food equivalency of the commodities being provided prior to any additional education on Health or other nutritional aspects. It is expected that this working copy will be revised and tested during the current year.

- (8) In FY-79 CRS agreed to include in its program 10,000 pregnant and lactating mothers who were previously served by WFP before the takeover by CRS of the entire pre-school program. As CRS has found the response to this program to be not as great as anticipated, CRS will reduce the number requested in this category to 5,000 for FY-90.

B.1 Pre-school Nutrition Program:

(a) 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 on local food equivalency to their mothers through a locally-supported pre-school nutrition program.

(b) Benchmark Indicators:

- (1) Evaluation of 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.

(c) 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.
- (5) CRS staff will be able to develop core material and introduce it in the clinics.

The program is country wide, however the mountainous area of the country proportionately suffer from less coverage. Reports indicate that chronic PCM in the pre-school category is 11% in the lowlands and 25% 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.

**B.2 Pregnant and Lactating Mothers with no Pre-school Children:**

**(a) Objectives:**

To provide commodity assistance to 5,000 pregnant and lactating mothers who receive no support from the pre-school program through curative centers.

**(b) Indicators:**

CRS reports on the number of mothers reached.

**(c) Assumptions:**

- (1) The 71 clinics and hospitals in Lesotho will continue to provide pre-natal and post-natal services, and will be able to reinstate a controlled commodity distribution program.
- (2) Commodities will be available at the point of delivery.
- (3) The program will be country-wide.
- (4) The distribution will be in dry form monthly at the time of visit to the MCH clinic.

**FY-80 - Pre-School Nutrition Program:**

	<u>NFDM Kg.</u>	<u>Bulgur</u>	<u>Oil</u>
Number of children: 75,000	2.0	2.3	1
Mothers number : 62,000	2.0	2.3	1

It should be noted that the NFDM ration was effectively changed from 1.8 kg. to 2 kg. in order to utilize the 2 Kg. of NFDM.

Maternal Child Health Program:

		<u>NFDM Kg.</u>	<u>Bulgur</u>	<u>Oil</u>
Number of mothers non-pre-school:	5,000	2.0	2.3	1
<u>Annual Estimate of Commodities:</u>		3408 MT	3920 MT	1704 MT

TENTATIVE MULTI-YEAR PLAN

Pre-school Nutrition Program:

		<u>FY-80</u>	<u>FY-81</u>	<u>FY-82</u>
Number of Children	... ..	75,000	78,000	78,000
Number of mothers	... ..	<u>62,000</u>	<u>66,000</u>	<u>66,000</u>
Total	... ..	137,000	144,000	144,000

Maternal Child Health Program:

Number of non-pre-school mothers		<u>5,000</u>	<u>7,500</u>	<u>7,500</u>
Grand Total	... ..	142,000	151,500	151,500

No increase in levels are anticipated between FY-81 and FY-81 and FY-82. However, should circumstances permit expansion into mountain areas it is possible that such 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.

Pre-school Program:

		<u>FY-80</u>	<u>FY-81</u>	<u>FY-82</u>
NFDM	... ..	3408 MT	3636 MT	3636 MT
Bulgur	. ... ..	3920 MT	4181 MT	4181 MT
Oil	... ..	1740 MT	1818 MT	1818 MT

## 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 9,500 requested for 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 towns in the lowlands, to the remote mountain villages. Lesotho is subject to heavy summer rains sometimes resulting in flood conditions, and to snow-falls 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. They 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 labor 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 projects 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: Deployment 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 progress will be country-wide.

#### B.4 DISTRIBUTION METHOD

- (1) All FFW projects run on the basis of a 15 day work period.
- (2) Workers' Regulations:
  - (a) Workers must be physically able to work and be 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 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.
  - (h) Workers will be selected without regard to race, creed or political affiliation and on the basis of need.
- (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's 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 ant 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
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 programming 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.

#### B.5 COOPERATION OF PARTICIPATING GOVERNMENTS

- (1) "Self-help efforts have created amenities and infrastructures in rural areas that have notably increased the well-being of the people. Construction of feeder roads, 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 \$9,130,400. The unquantified benefits to the workers' families in terms of improved nutrition is considerable." (Lesotho Second Five Year Plan, pp 123-124.)

The 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 more 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 such 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 progress 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. However, 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 program 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 them 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 storeman 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 submit 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 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 FL.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 outgoing 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 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 stored 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 Childrens 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: m3 = 8,674 m3
							Total: MT = 2,168 MT

<u>MAFETENG</u>	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 m3 = 1,187 m3
<u>MANTSONYAME</u>	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 m3 = 72 m3 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 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 m <sup>2</sup>
<u>THABA TSEKA</u>	1,400 sq.ft.	130 m <sup>2</sup>
<u>OUTHING</u>	4,000 sq.ft.	370 m <sup>2</sup>
<u>GACHA'S NEK</u>	3,000 sq.ft.	280 m <sup>2</sup>
<u>LERIBE</u>	7,500 sq.ft.	700 m <sup>2</sup>
<u>BUTHA-BUTHE</u>	2,000 sq.ft.	186 m <sup>2</sup>

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 in storage.
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 mountain 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 Centers. 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 systems;
  - 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 rebagging. 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, is:

MCH: NFDM, 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 in the local news media. There are no plans to increase local publicity since the food program is a very well understood activity.

## CONTRIBUTIONS 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 @ R11.90 per MT	:	\$49.045
Warehousing @ 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 should 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.

Country: LESOTHO

TABLE XI

P.L. 480 TITLE I/III REQUIREMENTS  
(Dollars in Millions, Tonnage in Thousands)

Commodities	FY 1979			Estimated FY 1980			Projected FY 1981					
	Agreement \$ MT	Shipments \$ MT	Carryin to FY 1980 \$ MT	Agreement \$ MT	Shipments \$ MT	Carryin to FY 1981 \$ MT	Agreement \$ MT	Shipments \$ MT	Carryin to FY 81 \$ MT			
<u>Title I</u>												
Wheat	-	-	-	-	-	-	2,010	15	670	5	1,340	10
Corn	-	-	-	-	-	-	500	5	100	1	400	4
Rice												
<u>Total</u>												
<u>Of which Title III</u>												
Wheat												
Corn												
Rice												
<u>Total</u>							2,510	20	770	6	1,740	14

COMMENT:  
In the FY 80 ABS, the Title III program projected a dual objective - strategic reserve and funds for development. During the course of discussions among USAID/Lesotho, the Regional Food for Peace Officer, and the Government of Lesotho, it was decided that while a strategic grain reserve was needed and that Lesotho's particular needs make her a candidate for Title III, the two objectives could best be met under separate programs. Thus the mission requests that the USG contribution to the strategic grain reserve be made under Title II in FY 80. It requests further that our contribution to Title III Food for Development commence in FY 81.

Country: LESOTHO

(OPTIONAL)

TABLE XII  
PL 480 TITLE I/III  
Supply and Distribution  
(000 Metric Tons)

<u>Stock Situation</u>	<u>FY 1979</u>	<u>Estimated FY 1980</u>
Commodity - <u>Wheat</u>		
Beginning Stocks	Unknown	Unknown
Production	47	60
Imports	70	95
Concessional	3	15
Non-Concessional	67	70
Consumption	117-130	120-140
Ending Stocks	Unknown	Unknown
Commodity - <u>Corn</u>		
Beginning Stocks	Unknown	Unknown
Production	62	88
Imports	67	80
Concessional	11	11
Non-Concessional	56	69
Consumption	-	
Ending Stocks		
Commodity - <u>Rice</u>		
Beginning Stocks	None	
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		

etc.

Comment:

Consumption is exceedingly elastic with respect to production.

Table XIII

PL 480 TITLE II

FY 81\*

1. Country LESOTHO

Sponsor's Name CRS

A. Maternal and Child Health.....Total Recipients 142

No. of Recipients by Commodity	Name of Commodity	KGS	(Thousands)	Dollars
<u>142</u>	<u>NFDM</u>	<u>3408</u>		<u>1,203</u>
<u>142</u>	<u>Bulgur</u>	<u>3920</u>		<u>749</u>
<u>142</u>	<u>Oil</u>	<u>1704</u>		<u>1,399</u>
<u>Total MCH</u>		<u>9032</u>		<u>3,351</u>

B. School Feeding....N/A.....Total Recipients -

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

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

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

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

No. of Recipients by Commodity	Name of Commodity	KGS	(Thousands)	Dollars
<u>57</u>	<u>Oil</u>	<u>342</u>		<u>281</u>
<u>57</u>	<u>Cornmeal</u>	<u>3105</u>		<u>376</u>
<u>Total Food for Work</u>		<u>3447</u>		<u>657</u>

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

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

II. Sponsor's Name Catholic Relief Services

\* FY 82 and FY 83 to be maintained at same levels.