

UNCLASSIFIED

Annual Budget Submission

FY 1988

LESOTHO

BEST AVAILABLE

May 1986



**Agency for International Development
Washington, D.C.**

UNCLASSIFIED

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ANNUAL BUDGET SUBMISSION
 FY 1988
 USAID/Lesotho

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FY 1988 ANNUAL BUDGET SUBMISSION
 TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)
 Country LESOTHO

	FY 1985 ACTUAL	FY 1986 ESTIMATE	--FY 1987-- CP ESTIMATE	FY 1988 AAPL	-----PLANNING PERIOD-----				
					1989	1990	1991	1992	

AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION									
GRANTS	5,851	4,522	5,460	5,460	5,560	5,500	6,120	5,100	5,100
LOANS	---	---	---	---	---	---	---	---	---
POPULATION									
GRANTS	---	---	---	---	---	---	---	---	---
LOANS	---	---	---	---	---	---	---	---	---
(of which centrally procured commodities)									
HEALTH									
GRANTS	1,294	---	---	---	---	---	---	---	---
LOANS	---	---	---	---	---	---	---	---	---
EDUCATION									
GRANTS	3,155	5,138	4,200	4,200	4,100	4,160	3,540	4,560	4,560
LOANS	---	---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES									
GRANTS	---	---	---	---	---	---	---	---	---
LOANS	---	---	---	---	---	---	---	---	---
SUBTOTAL FUNCTIONAL ACCOUNTS									
GRANTS	10,300	9,660	9,660	9,660	9,660	9,660	9,660	9,660	9,660
LOANS	---	---	---	---	---	---	---	---	---
OTHER DA ACCOUNTS (specify)									
GRANTS	---	---	---	---	---	---	---	---	---
LOANS	---	---	---	---	---	---	---	---	---
TOTAL DA ACCTS	10,300	9,660	9,660	9,660	9,660	9,660	9,660	9,660	9,660
TOTAL DA AND ESF	10,300	9,660	9,660	9,660	9,660	9,660	9,660	9,660	9,660

L 480 (non-add)									
Title I	---	---	---	---	---	---	---	---	---
(of which Title III)									
Title II	5,331	3,600	3,600	3,620	3,600	3,400	3,700	4,000	4,400
Housing Guaranties	---	---	---	---	---	---	---	---	---
(non-add)									

FY 1988 ANNUAL BUDGET SUBMISSION
 TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION (\$000)
 Country: LESOTHO

APPROPRIATION ACCOUNT PROJECT NO. TITLE		FY 86 L/G ESTIMATE	FY 87 ESTIMATE	FY 88 AAPL
<u>AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION (ARDN)</u>				
1. 632-0218 Agricultural Planning	G	263	340	--
2. 632-0221 Agricultural Production and Institutional Support	G	4,259	5,120	5,560
		-----	-----	-----
ARDN		4,522	5,460	5,560
(ARDN - PD&S)*		(55)	(84)	(20)
<u>HEALTH AND POPULATION</u>				
(H & POP - PD&S)*		(121)	(99)	(80)
<u>EDUCATION AND HUMAN RESOURCES DEVELOPMENT (EHRD)</u>				
3. 632-0222 Basic and Non-Formal Education Systems	G	5,138	4,200	4,100
		-----	-----	-----
EHRD		5,138	4,200	4,100
(EHRD - PD&S)*		(60)	(70)	(80)
TOTAL BY YEARS		9,660	9,660	9,660
(TOTAL - NON-ADD: PD&S)*		(236)	(253)	(180)

* NOTE: As directed in ABS guidance, PD&S requirements are shown as (non-add) items above. See page for detailed requirements.

COUNTRY: Lesotho

FY1988 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

BUREAU FOR AFRICA

PROJECT NUMBER AND TITLE	OBLIG DATE	TOTAL COST- THRU	FY85 PIPE- LINE	OBLIG- ATIONS	EXPEND- ITURES	END OF FY86	EXPEND- ITURES	FY88	EXPEND- ITURES	FY88	ITEM NO.
AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION											
632-0065 Farming Systems Research											
	G 78 85	10,199	10,199	2,055	0	2,055	0	0	0	0	5699
632-0214 Credit Union Development (PVO)											
	G 80 84	992	992	135	0	135	0	0	0	0	7293
632-0215 Land Conservation and Range Development											
	G 80 85	12,000	12,000	4,555	0	1,675	0	0	2,880	0	5700
632-0218 Agriculture Planning											
	G 80 87	6,200	6,200	5,597	2,374	263	620	340	360	640	7294
632-0221 Agri. Production & Institutional Support											
	G 85 90	26,100	26,100	1,363	1,363	4,259	1,980	20,478	5,120	4,420	5325
HEALTH											
632-0088 Rural Water and Sanitation											
	G 79 85	12,142	12,142	12,142	3,894	0	2,080	0	0	1,420	5698
APPROPRIATION											
TOTAL		55,491	55,491	30,151	10,482	4,522	6,465	20,818	5,460	7,940	5,560
GRANT		55,491	55,491	30,151	10,482	4,522	6,465	20,818	5,460	7,940	5,560
LOAN		0	0	0	0	0	0	0	0	0	0
APPROPRIATION TOTAL 12,142 12,142 12,142 3,894 0 2,080 0 0 1,420 0											

GRANT 12,142 12,142 12,142 3,894 0 2,080 0 0 1,420 0 0
 LOAN 0 0 0 0 0 0 0 0 0 0 0

EDUCATION AND HUMAN RESOURCES

632-0061 Instructional Materials Resource Center											
										\$PVO:	
G 77	83	3,381	3,381	283	0	283	0	0	0	7292	
632-0069 Manpower Development and Training											
										\$PVO:	
G 78	84	8,203	8,203	1,006	0	506	0	0	500	5701	
632-0080 National University of Lesotho											
										\$PVO:	
G 77	85	5,871	4,621	1,771	0	1,070	0	0	701	5702	
632-0222 Basic and Non-Formal Education Systems											
										\$PVO:	
G 84	89	25,750	25,750	6,000	5,623	5,138	3,320	14,612	4,200	4,960	5696

APPROPRIATION

TOTAL	43,205	41,955	22,205	8,683	5,138	5,179	14,612	4,200	6,161	0
GRANT	43,205	41,955	22,205	8,683	5,138	5,179	14,612	4,200	6,161	0
LOAN	0	0	0	0	0	0	0	0	0	0

FUNCTIONAL ACCOUNT

TOTAL	110,838	109,588	64,498	23,059	9,660	13,724	35,430	9,660	15,521	5,560
GRANT	110,838	109,588	64,498	23,059	9,660	13,724	35,430	9,660	15,521	5,560
LOAN	0	0	0	0	0	0	0	0	0	0

ECONOMIC SUPPORT FUND

632-0069 Manpower Development and Training										
										\$PVO:
G 78	84	1,767	1,767	81	0	81	0	0	0	9282

APPROPRIATION

TOTAL	1,767	1,767	1,767	81	0	81	0	0	0	0
GRANT	1,767	1,767	1,767	81	0	81	0	0	0	0
LOAN	0	0	0	0	0	0	0	0	0	0

SECURITY SUPPORTING ASSISTANCE

632-0065 Farming Systems Research										
										\$PVO:
G 78	85	995	995	17	0	17	0	0	0	10061

AID PROGRAM IN FY 1988
ANNUAL BUDGET SUBMISSION
TABLE V - PROPOSED PROGRAM RANKING

DECISION UNIT

RANK	PROJECT	TITLE	NEW/ CONT	LOAN/ GRANT	PROGRAM APPROP	PROGRAM FUNDING (\$000)	
						INCR	CUM
1.	632-0221	Agricultural Production and Institutional Support (LAPIS)	0	G	ARDN	5,560	5,560
2.	632-0222	Basic and Non-Formal Education Systems (BANFES)	0	G	EHRD	4,100	9,660
		TOTAL				9,660	

COUNTRY: Lesotho

Narrative
Local Currency Use Plan
FY1988 Annual Budget Submission

In FY1983/84, A.I.D., on behalf of the U.S. Government, provided 6,985 MT of food commodities to the Catholic Relief Services (CRS) in response to the Lesotho drought. This food was distributed by CRS to the most seriously affected drought areas designated by the Food Management Unit (PMU) of the Government of Lesotho (GOL). The value of the food commodities under this emergency program amounted to \$2,158,500 plus \$1,144,000 for transport for a total of \$3,302,500.

To help defray the costs of the Government of Lesotho's emergency assistance program, the United States, through A.I.D. also donated in FY1984 10,000 MT of wheat to the Government of Lesotho for monetization. The cost to the United States Government for this wheat was \$1,540,000 plus \$1,069,000 for transport for a total value of \$2,609,000. The funds generated from the sale of the wheat, amounting to M2,256,931,* was granted to the Government of Lesotho to support activities such as the costs of distribution by the Government of Lesotho of emergency drought relief food aid, drought rehabilitation projects and programs to improve Lesotho's agricultural production.

In August, 1984, the United States donated an additional 15,000 MT of wheat in a similar program for monetization. The value of this wheat was \$2,425,000 plus \$2,250,000 for shipping costs for a total of \$4,675,000. This wheat, when sold, generated M3,818,820.*

Under procedures established by the Government of Lesotho and USAID, proceeds from the monetization program were deposited in interest bearing accounts. These funds are released for projects which have been reviewed and approved by both the USAID and the Food Management Unit (PMU), which has responsibility on behalf of the Government of Lesotho for the monetization program.

Under the terms of the government to government monetization agreement, proceeds would also be employed: to strengthen food assistance administration and management, for drought rehabilitation and agriculture production activities. This is in conformity with the AID Country Development Strategy Statement which has as a primary goal increasing rural income and employment. Secondary goals of the AID strategy include; increasing agricultural production and income, utilizing and integrating more effectively food assistance resources to increase the efficiency and development impact of the existing food assistance program, and support of self-help efforts that increase employment and employability of the lowest income group.

Rate of Exchange (As of 3/31/86 per ABS Guidance): U.S.\$1.00 = 2.13 Maloti (M)

To date, 8 projects have been approved for a total of M2,611,775.* These approved projects are listed on the attached. The balance remaining in the monetization account as of April 31, 1986 amounted to approximately M4.3 million which included accrued interest.

Logistics and related support projects involving the transport of the food assistance to drought stricken communities were given priority consideration for funding from the proceeds generated under the monetization program. Of the total approved, the largest project involved the Logistics Unit of the Government of Lesotho which was established to handle transport of drought supplies (M1,458,000). This unit is now in the process of being disbanded as we approach termination of the drought emergency assistance.

The Logistics Unit has advised USAID informally that transport and management costs of the drought program exceeded the amount approved by approximately M2.1 million. USAID withheld payment of these additional claims, however, pending an audit of the Logistics Unit. The audit, conducted by the Auditor General of the Government of Lesotho in March-April, 1986 will be released shortly thereby permitting settlement of any additional Logistics Unit claims. It is anticipated, however, that a portion of the additional claims may be disallowed or will be reimbursed by other donors as legitimate costs related to their programs.

Once these claims have been resolved and settlement effected, the balance remaining in the monetization account will be committed to projects which have been proposed for funding with monetization proceeds. Approval of these projects was deferred until the Logistics Unit audit was completed and full identification of additional monetary claims made. A number of these projects have already been reviewed and agreed to in principle. They include:

<u>Project^a</u>	<u>Amount (Maloti)</u>
1. Repair and security improvements: FMU food warehouses	303,700
2. Drought Relief/Rehabilitation: Horizontal Well Drilling	7,655,500 ^b

^a Projects listed above are not inclusive. Additional projects, totalling in excess of M12.0 million have been proposed but have been given lower priority as not being directly supportive of the USAID strategy and GOL agriculture production objectives.

* \$U.S.1 = 2.13 Maloti (M)

3. FFW Rural Roads Program: Rock Drilling/Removal Equipment and Tools	604,000 ^b
4. Food Management Unit: Logistics Support	1,150,000
5. CRS: Outreach Grant	56,810
6. Vegetable Seedling Nursery	920,000 ^b
7. Assistance to Seed Production and Processing	471,500
8. Development of Horticultural Production and Marketing Systems	559,000 ^b
	<hr/>
TOTAL	11,720,510

^b These projects, under discussion with the GOL, may be funded at reduced levels. For example, the Horizontal Well Drilling Effort is being reduced from 20 to 4 drilling rigs. This reduction is in keeping with improved project management, GOL absorptive capacities and budgetary stringencies.

FY 1988 ANNUAL BUDGET SUBMISSION
 Table VI: Expenditures of Local Currency Generations
 (U.S. Dollar Equivalents)

Source/Purpose	LOCAL CURRENCY USE PLAN		EXPENDITURE BY GOVERNMENT OF LESOTHO FISCAL YEAR ^b				TOTAL AMOUNT EXPENDED (as of 5/30/86)	UNEXPENDED BALANCE (as of 5/30/86)	
	Functional Account	Date Project Approved	Amount Approved ^a	FY 84 Actual	FY 85 Actual	FY 86 Est.			FY 87 Planned
I. ECONOMIC SUPPORT FUND									
Not applicable.									
I. DEVELOPMENT ASSISTANCE									
A. Public Development Activities									
1. Food Management-Inst. Strengthening	ARDN	5/30/84	145,122	-	76,348	66,374	2,400	145,122	-
Food Management Unit									
Renovation of Food Stores and Offices									
SUBTOTAL			<u>145,122</u>	-	<u>76,348</u>	<u>66,374</u>	<u>2,400</u>	<u>145,122</u>	-
B. Private Sector Programs									
1. Bollworm Epidemic-Spraying	ARDN	2/26/86	132,338	-	-	-	132,338	132,338	-
2. Taung Horticulture Project	ARDN	7/05/84	9,734	-	9,734	-	-	9,734	-
3. Catholic Relief Services - Watershed Mgt. Project	ARDN	11/25/85	150,234	-	-	-	112,600	-	150,234
SUBTOTAL			<u>292,306</u>	-	<u>9,734</u>	-	<u>244,938</u>	<u>142,072</u>	<u>150,234</u>
II. PL480									
A. Public Development Activities									
1. Logistics Unit-Food Transport	ARDN	1/25/84	684,507	64,233	335,275	209,500	40,000	649,008	35,499
2. Food and Nutrition Coordinating Office-Supp. Assistance to Malnourished Destitutes (Food Transport)	ARDN	10/28/85	<u>32,816</u> 717,323	-	-	<u>32,816</u> 242,316	-	<u>32,816</u> 681,824	- 35,499
SUBTOTAL				<u>64,233</u>	<u>335,275</u>	<u>242,316</u>	<u>40,000</u>	<u>681,824</u>	<u>35,499</u>
B. Private Sector Programs									
1. Catholic Relife Service - Food Transport	ARDN	4/1/84	55,894	-	55,894	-	-	55,894	-
2. CARE-Logistics Tech. Asst.	ARDN	1/11/84	<u>15,537</u> 71,431	<u>12,500</u> 12,500	<u>3,037</u> 58,931	-	-	<u>15,537</u> 71,431	-
SUBTOTAL				<u>12,500</u> 76,733	<u>58,931</u> 480,288	-	-	<u>1,040,449</u>	<u>185,733</u>
TOTAL			<u>1,226,182</u>	<u>76,733</u>	<u>480,288</u>	<u>308,690</u>	<u>287,338</u>	<u>1,040,449</u>	<u>185,733</u>

Rate of Exchange (3/31/86): U.S.\$1.00 = M2.13 (Maloti)
 Government of Lesotho Fiscal Year: April 1 - March 31. For example: COL FY87 begins April 1, 1986 to March 31, 1987.

FY 1988 Annual Budget Submission
Program Development and Support (PD & S)*

<u>I. Fiscal Year 1987</u>	<u>Priority</u>	<u>Amount Required</u>
<u>A. Agriculture, Rural Development and Nutrition</u>		<u>\$ 84,000</u>
1. <u>PL480 Title II: Food for Peace</u> : Two 3-week consultancies to evaluate progress of PFW program action plan, offer recommendations for further strengthening of this program in support of overall food production goals of GOL, CRS and USAID. Skills required: One contract Food for Work Specialist x 3 weeks x 2 trips	High/Medium	\$ 24,000
2. Ag Sector Survey Update: Review sector survey and other materials under- lying development of the sector, review/analyze role of women in support of production and examine impact of recent policy and other changes. Skills required: One ag economist, one contract or REDSO sociologist, one Women in Development Specialist x 4 weeks	High	\$ 50,000
3. <u>CRS Outreach Grant</u> Final evaluation-Due to AID/W reduction in funding of subject grant, PD&S will be needed to conduct final evaluation. Skills required: 1 Food for Peace Contract Specialist x 2 weeks	High	\$ 10,000 \$ 10,000

* In accordance with ABS Guidance, PD& S requirements are shown as non-add items on Table III.

B.	<u>Population</u>	<u>\$ 40,000</u>
1.	<u>Lesotho Planned Parenthood Association (LPPA):</u> Consultancy to examine organization, etc., and make recommendations for strengthening of outreach and social marketing. Skills required: One contract FP social marketing specialist x 3 weeks.	High \$ 15,000
2.	<u>Family Planning Codes and Regulations:</u> Consultancy to examine procedures, laws and codes to insure efficient and interlocking coverage of FP service delivery, to identify changes needed in organizational procedures of (MOH), Private Health Association of Lesotho (PHAL) and Lesotho Planned Parenthood Association of Lesotho (LPPA). Skills required: One contract FP Specialist x 3 weeks.	High \$ 15,000
3.	<u>Contraceptive Logistics and Record Keeping:</u> Follow-on consultancy to examine success/problems with new inventory and logistics system, make recommendations, as necessary, to correct deficiencies. Skills required: One logistics (FP) Specialist x 3 weeks.	High \$ 10,000
C.	<u>Health</u>	<u>\$ 59,000</u>
1.	Rural Health Development (632-0058): Limited follow-on assistance to provide support and further institutionalize initiatives/achievements under the Rural Health Development Project.	
	- Organization and Management - Planning - Procurement - Training	High \$ 15,000

NOTE: Rural Health Development Project ended in FY 1985

2. Personnel and Financial Management: (a) One Personnel/Organization Specialist to review organization management needs of MOH (2-3 weeks), Medium \$ 12,000
 (b) One financial specialist to examine cost recovery practices in MOH (3 weeks). Medium \$ 12,000

3. Rural Water and Sanitation
 (632-0088)

Private Sector/Water System Maintenance Study to examine the feasibility of the private sector assuming some of the water system maintenance functions now done by the Village Water Supply Section (VWSS). Review of current VWSS procedures, maintenance standards, size of the market, the ability of private sector to perform these functions, the availability of spare parts, and what assistance may be needed to establish such Basotho-owned and operated firms. Skills required: (a) One Sociologist, (b) One Contract Marketing Specialist, and (c) One Economist High \$ 20,000
 (4 weeks)

D. Education and Human Resources Development \$ 70,000

1. Vocational/Technical Education in Lesotho:
 Examine in terms of quantity and quality as well as to project vocational/technical training needs until 2000. Examine factors such as increased industrial development as a result of the documented dramatic decrease in employment opportunities in RSA over the next decade; the requirements in numbers and types of skills for construction

on the Highland Water Scheme including spin-off construction of houses, etc.; the spin-off which may occur after the Highland Water Scheme is completed.

Skills required: Two non-formal education specialists x 8 weeks.

High

\$ 40,000

2. Manpower Development and Training (632-0069): Final evaluation. Due to added requirements for participants (LT) training) and extension of OPEX personnel, funding is inadequate to cover final evaluation. Skills required: 1 participant training specialist, 1 personnel mgt. specialist and 1 education specialist x 3 weeks.

High

\$ 30,000

TOTAL PD & S REQUIREMENTS - FY1987

\$253,000

II. FISCAL YEAR 1988

A. Agriculture, Rural Development and Nutrition

\$ 20,000

1. PL480 Title II: Food for Peace: One 4-week consultancy to evaluate progress in achievement of FFW program action plan, offer recommendations for further strengthening of this program in support of overall food production goals of GOL, CRS USAID. Skills required: One contract Food for Work Specialist x 6 weeks.

High

\$ 20,000

B. Population

\$ 20,000

1. FP Information Specialist: Examination of information systems in place to support FP delivery. Make recommendations to strengthen inter-ministerial

and inter-agency promotion programs. Skills required: One Information, Education & Communications Specialist x 4-5 weeks. High \$ 20,000

C. Health \$ 60,000

1. Village Health Worker (VHW Program): Consultant to examine effectiveness of VHW program and links to FP service delivery. Make recommendations to strengthen same. Skills required: One Health Management Specialist x 4 High weeks. \$ 20,000

2. Private Sector (Health):
 Consultant to examine health services and health support systems. Make recommendations, as appropriate, to privatize certain aspects of health support services. Skills required: One health planner x 3 weeks. High \$ 15,000

3. Nutrition: Examine nutritional effectiveness of PL480 Title II program in light of CRS MCH phase down. Skills required: One nutritionist and one PL480 Title II/MCH contract specialist x 3 weeks. High \$ 25,000

D. Education and Human Resources Development \$ 80,000

a. Sector Survey: Review/update sector survey to reflect development and changed training situation/needs. Effort will likely involve other donors. Skills required: One non-formal education specialist, one education economist, one primary/secondary education specialist x 4 weeks. High \$ 40,000

- b. Manpower Development:
Review general GOL training needs in critical sectors. Examine role of AID, if any, and as appropriate develop rationale for future training involvement. Skills required: One non-formal education specialist, one training expert, 2 specialists from/with experience in training in other sectors such as agriculture, private sector, health, etc.

High

\$ 40,000

TOTAL PD & S REQUIREMENTS - FY 1988

\$180,000

COUNTRY: Lesotho

OPERATING EXPENSE NARRATIVE

A. Management Improvements

USAID/Lesotho has improved Mission management through automation. By standardizing forms and expediting documentation flow through the use of our WANG PCs utilized by Mission secretarial and other personnel (USDH, PSNs and TDYers), we have effectively saved 30 to 50% of previous time required for preparation of documents. The savings is estimated to be \$15,000.

A more thorough internal review procedure has been instituted whereby all purchase orders are reviewed by the Controller prior to availability of funding certification. This has permitted more competitive procurement through volume and/or available discounts. The saving is estimated to be anywhere from two to ten thousand dollars.

USAID/Lesotho's plans for greater utilization of foreign nationals will be accomplished through additional recruitment FY86/FY87 to support current U.S. Direct Hire staff and permit potential replacement of U.S. Direct Hire and Third Country Nationals. Increasing the responsibility and authority of foreign nationals will be accomplished through training for management competence in specific areas of assignment to permit full assumption of independent responsibilities in normally U.S. Direct Hire areas.

B. Trust Funds

Given the precarious state of Lesotho's economy and its heavy dependence on miner earnings from the Republic of South Africa, it is highly unlikely that the Government of Lesotho would be willing or able to make a contribution to administrative costs (Mission Administrative (OE) costs amount to roughly \$770,000 per annum).

In designing the Lesotho Agricultural Production and Institutional Support (LAPIS) Project (632-0221), designers examined the possibility of; (a) a Title II Section 206 Program and (b) commodity import program. Both would generate local currency which could then be used to support agriculture production activities. The Section 206 Program was attractive because it would also help to ameliorate the Lesotho food deficit.

The Mission's proposal for a Section 206 Program in support of LAPIS production objectives was rejected by AID/Washington as not fitting under the Agency's guidelines for such programs which were more targetted to emergency situations than long term production efforts. This was discussed in the Mission's FY1985 ABS.

The commodity import program proposal was rejected after designers and the Mission examined the range of products that could be feasibly imported under such a program without deleterious effect on the economy or the commercial import programs of other nations.

Simply, the economy of Lesotho is so small that commercial imports of most products in quantities enough to generate the local currency desired would either exceed local demand and/or glut the market.

This leaves Title I/III. The Mission will study the feasibility of a Title I/III program for Lesotho over the course of the next few months.

C. Justification for Personnel Changes

Included in this ABS are two sets of Table VIII's for fiscal year 1987 and 1988. The adjusted Table VIII's are the personnel levels necessary to carry out, in an orderly and prudent manner, the project activities during these fiscal years.

In conformance with the approved USAID Country Development Strategy Statement (CDSS) for Lesotho, AID is concentrating its bilateral program in two sectors: Agriculture and Education. Ongoing activities in these two sectors are either being completed in accordance with project design or integrated into the two sector programs, the Basic and Non-Formal Education Systems (BANFES) Project (632-0222) authorized on 2/2/84 and the Agricultural Production and Institutional Support (LAPIS) Project (632-0221) authorized on 5/15/86. This process is well advanced. Regional and central resources are being used to support limited initiatives in health and family planning.

In FY's 1986 and 1987, seven (7) projects will be completed: three (3) in agriculture, three (3) in education and human resources development and one (1) selected development activity (SDA) energy project. In certain cases, elements of these ongoing projects will be picked up under the sectoral agriculture and education projects. This is to insure investments made earlier by AID are protected as well as to further develop certain activities of importance to the implementation and success of the LAPIS and BANFES programs.

The combination of; (a) terminating/completing ongoing projects in an orderly manner, (b) integration of ongoing project activities and elements into the new sector programs, and (c) the start-up of the sector programs in agriculture and education poses heavy workload requirements for the Mission in FY's 1987 and 1988. To a smaller degree, the heavy workload anticipated for FY1986 and FY1987 also results from slippage in the authorization of the sectoral programs and related delays, thereto, in startup.

In accordance with ABS workforce guidance, USAID/Lesotho was to have a USDH FTE level of nine (9) in FY1986 and eight (8) in FY1987; continuing at that level thereafter. We urge that the level of nine be retained through FY1989.

Additional factors underlying the Mission's recommendation, in addition to those mentioned above, include: (a) the complexity of the programs involved and (b) the time required to locate and train a competent local national to assume the function. The Lesotho Agricultural Production and Institutional Support (LAPIS) Project is an extremely ambitious project focussing on the production of those high value crops and animal products where Lesotho possesses some comparative advantage vis-a-vis its highly agriculturally developed neighbor. It incorporates, as noted, successful elements of ongoing projects such as the Land Conservation and Range Development (LCRD), Farming Systems Research and Lesotho Cooperative Credit Union Projects. Under LAPIS, additional range management areas will be introduced thereby replicating the successful Grazing Association approach to animal control/range improvement, packages of research technologies will be developed for high value crops under the Farming Systems Research element of LAPIS and selected credit unions will be further strengthened to provide production credit in support of LAPIS production activities.

Given the complexity of the LAPIS effort, the maintenance of the two USDH positions through the start-up phase are considered essential to program success. Attempting to train a local national to assume the second agriculture development officer position while also attempting to implement the activities described above would increase the workload on the USDH staff to an unacceptable level.

The present incumbent of the second Agriculture Development Officer position, which has been identified for deletion, is a PhD agronomist with advanced training in plant production and plant protection, highly relevant skills of immediate importance to the Farming Systems element of the LAPIS project under which packages of technologies will be developed for high value crops. Equally, this expertise will be relevant to the forestry effort to be mounted by CARE with LAPIS funding (\$628,250 cooperative agreement).

TABLE VIII - FY 1986
Operating Expense Summary

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		816.4		816.4	
U.S. CITIZENS BASIC PAY	U101	110	550.9		550.9	9.6
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	51.3		51.3	
OTHER AID/W FUNDED CODE 11	U104	119				
OTHER MISSION FUNDED CODE 11	U105	119				
EDUCATION ALLOWANCES	U106	126	16.0		16.0	1.0
RETIREMENT - U.S. DIRECT HIRE	U107	120	38.6		38.6	
LIVING ALLOWANCES	U108	128				
OTHER AID/W FUNDED CODE 12	U109	129	20.1		20.1	
OTHER MISSION FUNDED CODE 12	U110	129	15.4		15.4	
POST ASSIGNMENT - TRAVEL	U111	212	15.0		15.0	2.0
POST ASSIGNMENT - FREIGHT	U112	22	25.0		25.0	2.0
HOME LEAVE - TRAVEL	U113	212	21.6		21.6	4.0
HOME LEAVE - FREIGHT	U114	22	38.5		38.5	4.0
EDUCATION TRAVEL	U115	215	5.3		5.3	2.0
R AND R TRAVEL	U116	215	12.8		12.8	4.0
OTHER CODE 215 TRAVEL	U117	215	5.9		5.9	62.0
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200		147.8		147.8	
BASIC PAY	U201	114	127.0		127.0	9.0
OVERTIME, HOLIDAY PAY	U202	115	7.8		7.8	1.0
ALL OTHER CODE 11 - FN	U203	119	10.0		10.0	
ALL OTHER CODE 12 - FN	U204	129	3.0		3.0	
BENEFITS FORMER FN PERSONNEL	U205	13				
<u>CONTRACT PERSONNEL</u>	U300		100.5		100.5	
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	78.5		78.5	4.0
ALL OTHER U.S. PSC COSTS	U303	255				
F.N. PSC - SALARY/BENEFITS	U304	113	22.0		22.0	4.0
ALL OTHER F.N. PSC COSTS	U305	255				
MANPOWER CONTRACTS	U306	259				
JCC COSTS PAID BY AID/W	U307	113				
<u>HOUSING</u>	U400		185.6		185.6	7.0
RESIDENTIAL RENT	U401	235	40.4		40.4	
RESIDENTIAL UTILITIES	U402	235	21.0		21.0	
MAINTENANCE AND RENOVATION	U403	259	20.1		20.1	
QUARTERS ALLOWANCES	U404	127				
RESIDENTIAL FURNITURE/EQUIP.	U405	311	29.9		29.9	
TRANS./FREIGHT - CODE 311	U406	22	12.7		12.7	
SECURITY GUARD SERVICES	U407	254	60.5		60.5	
OFFICIAL RESIDENCE ALLOWANCES	U408	254				
REPRESENTATION ALLOWANCES	U409	252	1.0		1.0	

TABLE VIII - FY 1986
Operating Expense Summary

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
OFFICE OPERATIONS	U500		185.6		185.6	
OFFICE RENT	U501	234	8.0		8.0	
OFFICE UTILITIES	U502	234	6.0		6.0	
BUILDING MAINT./RENOVATION	U503	259	3.1		3.1	
OFFICE FURNITURE/EQUIPMENT	U504	310	6.3		6.3	
VEHICLES	U505	312	14.8		14.8	
OTHER EQUIPMENT	U506	319	5.7		5.7	
TRANSPORTATION/FREIGHT	U507	22	2.4		2.4	
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	17.6		17.6	
COMMUNICATIONS	U509	230	22.8		22.8	
SECURITY GUARD SERVICES	U510	254				
PRINTING	U511	24				
SITE VISITS - RIG PERSONNEL	U512	210				
SITE VISITS-MISSION PERSONNEL	U513	210	15.1		15.1	15
SITE VISITS-AID/W PERSONNEL	U514	210	14.1		14.1	4
INFORMATION MEETINGS	U515	210	.4		.4	1
TRAINING ATTENDANCE	U516	210	10.9		10.9	4
CONFERENCE ATTENDANCE	U517	210	9.5		9.5	5
OTHER OPERATIONAL TRAVEL	U518	210				
SUPPLIES AND MATERIALS	U519	26	31.6		31.6	
FAAS	U520	257				
CONSULTING SVCS. - CONTRACTS	U521	259				
MGT./PROF. SVCS. - CONTRACTS	U522	259				
SPEC. STUDIES/ANALYSES CONT.	U523	259				
ALL OTHER CODE 25	U524	259	16.7		16.7	
TOTAL O.E. BUDGET			1435.9		1435.9	
RECONCILIATION			(660.9)		(660.9)	
OPERATING BUDGET REQUIREMENTS			775.0		775.0	
636C REQUIREMENTS	U600	32	0		0	
TOTAL ALLOWANCE REQUIREMENTS	U000		775.0		775.0	

LOCAL COST SUPPORT COST DATA

F.N. PSC - SALARY/BENEFITS	U304	113	22.0		22.0	
ALL OTHER F.N. PSC COSTS	U305	255				
MANPOWER CONTRACTS	U306	259				
SITE VISITS - RIG PERSONNEL	U512	210				
SITE VISITS-MISSION PERSONNEL	U512	210	15.6		15.6	

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
EXCHANGE RATE USED (MARCH 31, 1986)

668.0
\$1.00=R2.10

TOTAL OE ALLOTMENT	\$ 775.0
OPERATING EXP.	737.4
PD&S	37.6

TABLE VIII - FY 1987
Operating Expense Summary

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		784.8		784.8	8
U.S. CITIZENS BASIC PAY	U101	110	490.6		490.6	
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	49.0		49.0	
OTHER AID/W FUNDED CODE 11	U104	119				
OTHER MISSION FUNDED CODE 11	U105	119				
EDUCATION ALLOWANCES	U106	126	44.2		44.2	
RETIREMENT - U.S. DIRECT HIRE	U107	120	34.3		34.3	
LIVING ALLOWANCES	U108	128				
OTHER AID/W FUNDED CODE 12	U109	129	18.4		18.4	
OTHER MISSION FUNDED CODE 12	U110	129	2.1		2.1	
POST ASSIGNMENT - TRAVEL	U111	212	12.7		12.7	2
POST ASSIGNMENT - FREIGHT	U112	22	28.6		28.6	2
HOME LEAVE - TRAVEL	U113	212	40.3		40.3	8
HOME LEAVE - FREIGHT	U114	22	31.0		31.0	8
EDUCATION TRAVEL	U115	215	8.0		8.0	4
R AND R TRAVEL	U116	215	17.1		17.1	10
OTHER CODE 215 TRAVEL	U117	215	8.5		8.5	60
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200		149.0		149.0	7
BASIC PAY	U201	114	128.8		128.8	0.5
OVERTIME, HOLIDAY PAY	U202	115	7.5		7.5	
ALL OTHER CODE 11 - FN	U203	119	9.5		9.5	
ALL OTHER CODE 12 - FN	U204	129	3.2		3.2	
BENEFITS FORMER FN PERSONNEL	U205	13				
<u>CONTRACT PERSONNEL</u>	U300		103.8		103.8	
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	80.8		80.8	3
ALL OTHER U.S. PSC COSTS	U303	255				
F.N. PSC - SALARY/BENEFITS	U304	113	23.0		23.0	4
ALL OTHER F.N. PSC COSTS	U305	255				
MANPOWER CONTRACTS	U306	259				
JCC COSTS PAID BY AID/W	U307	113				
<u>HOUSING</u>	U400		174.3		174.3	
RESIDENTIAL RENT	U401	235	29.9		29.9	6
RESIDENTIAL UTILITIES	U402	235	23.6		23.6	
MAINTENANCE AND RENOVATION	U403	259	8.5		8.5	
QUARTERS ALLOWANCES	U404	127	1.3		1.3	0.1
RESIDENTIAL FURNITURE/EQUIP.	U405	311	27.4		27.4	
TRANS./FREIGHT - CODE 311	U406	22	19.1		19.1	
SECURITY GUARD SERVICES	U407	254	63.0		63.0	
OFFICIAL RESIDENCE ALLOWANCES	U408	254				
REPRESENTATION ALLOWANCES	U409	252	1.5		1.5	

TABLE VIII - FY 1987
 Operating Expense Summary
 (continued)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
OFFICE OPERATIONS	U500		235.4		235.4	
OFFICE RENT	U501	234	7.6		7.6	
OFFICE UTILITIES	U502	234	9.2		9.2	
BUILDING MAINT./RENOVATION	U503	259	4.0		4.0	
OFFICE FURNITURE/EQUIPMENT	U504	310	6.0		6.0	
VEHICLES	U505	312	15.0		15.0	
OTHER EQUIPMENT	U506	319	23.0		23.0	
TRANSPORTATION/FREIGHT	U507	22	7.0		7.0	
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	22.0		22.0	
COMMUNICATIONS	U509	230	28.0		28.0	
SECURITY GUARD SERVICES	U510	254				
PRINTING	U511	24	2.0		2.0	
SITE VISITS-MISSION PERSONNEL	U512	210	15.0		15.0	24
SITE VISITS-AID/W PERSONNEL	U513	210	20.0		20.0	5
INFORMATION MEETINGS	U514	210	7.0		7.0	6
TRAINING ATTENDANCE	U515	210	9.0		9.0	4
CONFERENCE ATTENDANCE	U517	210	2.7		2.7	2
OTHER OPERATIONAL TRAVEL	U518	210	0.9		0.9	1
SUPPLIES AND MATERIALS	U519	26	35.0		35.0	
PAAS	U520	257				
CONSULTING SVCS. - CONTRACTS	U521	259				
MGT./PROF. SVCS. - CONTRACTS	U522	259				
SPEC. STUDIES/ANALYSES CONT.	U523	259				
ALL OTHER CODE 25	U524	259	22.0		22.0	
TOTAL O.E. BUDGET			1447.3		1447.3	
RECONCILIATION			(592.3)		(592.3)	
OPERATING BUDGET REQUIREMENTS			855.0		855.0	
636C REQUIREMENTS	U600	32	0			
TOTAL ALLOWANCE REQUIREMENTS	U000		855.0			

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
 EXCHANGE RATE USED (MARCH 31, 1986)

614.4
\$1.00 = R2.10

Estimated Wage Increase - FY 1986 to FY 1987
 Estimated Price Increase - FY 1986 to FY 1987

10%
10%

24
ADJUSTED TABLE

TABLE VIII - FY 1987
Operating Expense Summary

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
U.S. DIRECT HIRE	U100		876.1		876.1	
U.S. CITIZENS BASIC PAY	U101	110	519.7		519.7	8.9
PT/TEMP U.S. BASIC PAY	U102	112	_____		_____	
DIFFERENTIAL PAY	U103	116	51.9		51.9	
OTHER AID/W FUNDED CODE 11	U104	119	_____		_____	
OTHER MISSION FUNDED CODE 11	U105	119	_____		_____	
EDUCATION ALLOWANCES	U106	126	44.2		44.2	7
RETIREMENT - U.S. DIRECT HIRE	U107	120	36.4		36.4	8.9
LIVING ALLOWANCES	U108	128	_____		_____	
OTHER AID/W FUNDED CODE 12	U109	129	19.4		19.4	
OTHER MISSION FUNDED CODE 12	U110	129	2.8		2.8	
POST ASSIGNMENT - TRAVEL	U111	212	25.7		25.7	4
POST ASSIGNMENT - FREIGHT	U112	22	59.4		59.4	4
HOME LEAVE - TRAVEL	U113	212	44.0		44.0	8
HOME LEAVE - FREIGHT	U114	22	39.0		39.0	8
EDUCATION TRAVEL	U115	215	8.0		8.0	4
R AND R TRAVEL	U116	215	17.1		17.1	10
OTHER CODE 215 TRAVEL	U117	215	8.5		8.5	60
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200		155.0		155.0	
BASIC PAY	U201	114	134.8		134.8	9
OVERTIME, HOLIDAY PAY	U202	115	7.5		7.5	0.5
ALL OTHER CODE 11 - FN	U203	119	9.5		9.5	
ALL OTHER CODE 12 - FN	U204	129	3.2		3.2	
BENEFITS FORMER FN PERSONNEL	U205	13	_____		_____	
<u>CONTRACT PERSONNEL</u>	U300		103.8		103.8	
PASA TECHNICIANS	U301	258	_____		_____	
U.S. PSC - SALARY/BENEFITS	U302	113	80.8		80.8	3
ALL OTHER U.S. PSC COSTS	U303	255	_____		_____	
F.N. PSC - SALARY/BENEFITS	U304	113	23.0		23.0	4
ALL OTHER F.N. PSC COSTS	U305	255	_____		_____	
MANPOWER CONTRACTS	U306	259	_____		_____	
JCC COSTS PAID BY AID/W	U307	113	_____		_____	
<u>HOUSING</u>	U400		180.3		180.3	
RESIDENTIAL RENT	U401	235	34.9		34.9	7
RESIDENTIAL UTILITIES	U402	235	24.6		24.6	
MAINTENANCE AND RENOVATION	U403	259	8.5		8.5	
QUARTERS ALLOWANCES	U404	127	1.3		1.3	0.1
RESIDENTIAL FURNITURE/EQUIP.	U405	311	27.4		27.4	
TRANS./FREIGHT - CODE 311	U406	22	19.1		19.1	
SECURITY GUARD SERVICES	U407	254	63.0		63.0	
OFFICIAL RESIDENCE ALLOWANCES	U408	254	_____		_____	
REPRESENTATION ALLOWANCES	U409	252	1.5		1.5	

ADJUSTED TABLE

TABLE VIII - FY 1987
Operating Expense Summary
(continued)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
OFFICE OPERATIONS	U500		242.4		242.4	
OFFICE RENT	U501	234	7.6		7.6	
OFFICE UTILITIES	U502	234	9.2		9.2	
BUILDING MAINT./RENOVATION	U503	259	4.0		4.0	
OFFICE FURNITURE/EQUIPMENT	U504	310	6.0		6.0	
VEHICLES	U505	312	15.0		15.0	
OTHER EQUIPMENT	U506	319	13.0		13.0	
TRANSPORTATION/FREIGHT	U507	22	7.0		7.0	
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	22.0		22.0	
COMMUNICATIONS	U509	230	28.0		28.0	
SECURITY GUARD SERVICES	U510	254				
PRINTING	U511	24	2.0		2.0	
SITE VISITS-MISSION PERSONNEL	U512	210	15.0		15.0	24
SITE VISITS-AID/W PERSONNEL	U513	210	29.0		29.0	7
INFORMATION MEETINGS	U514	210	7.0		7.0	6
TRAINING ATTENDANCE	U515	210	9.0		9.0	4
CONFERENCE ATTENDANCE	U517	210	2.7		2.7	2
OTHER OPERATIONAL TRAVEL	U518	210	0.9		0.9	1
SUPPLIES AND MATERIALS	U519	26	40.0		40.0	
FAAS	U520	257				
CONSULTING SVCS. - CONTRACTS	U521	259				
MGT./PROP. SVCS. - CONTRACTS	U522	259				
SPEC. STUDIES/ANALYSES CONT.	U523	259				
ALL OTHER CODE 25	U524	259	25.0		25.0	
TOTAL O.E. BUDGET			1557.6		1557.6	
RECONCILIATION			(627.4)		(627.4)	
OPERATING BUDGET REQUIREMENTS			930.2		930.2	
636C REQUIREMENTS	U600	32	0		0	
TOTAL ALLOWANCE REQUIREMENTS	U000		930.2		930.2	

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
EXCHANGE RATE USED (MARCH 31, 1986)

620.1
\$1.00 = R2.10

Estimated Wage Increase - FY 1986 to FY 1987
Estimated Price Increase - FY 1986 to FY 1987

10%
15%

TABLE VIII - FY 1988
Operating Expense Summary

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		701.0		701.0	8
U.S. CITIZENS BASIC PAY	U101	110	455.9		455.9	
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	45.6		45.6	
OTHER AID/W FUNDED CODE 11	U104	119				
OTHER MISSION FUNDED CODE 11	U105	119				
EDUCATION ALLOWANCES	U106	126	38.2		38.2	6
RETIREMENT - U.S. DIRECT HIRE	U107	120	31.9		31.9	
LIVING ALLOWANCES	U108	128				
OTHER AID/W FUNDED CODE 12	U109	129	18.6		18.6	
OTHER MISSION FUNDED CODE 12	U110	129	1.4		1.4	
POST ASSIGNMENT - TRAVEL	U111	212	13.0		13.0	2
POST ASSIGNMENT - FREIGHT	U112	22	26.0		26.0	2
HOME LEAVE - TRAVEL	U113	212	8.6		8.6	2
HOME LEAVE - FREIGHT	U114	22	20.2		20.2	2
EDUCATION TRAVEL	U115	215	15.0		15.0	6
R AND R TRAVEL	U116	215	17.1		17.1	6
OTHER CODE 215 TRAVEL	U117	215	9.5		9.5	60
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200		153.6		153.6	
BASIC PAY	U201	114	132.5		132.5	7
OVERTIME, HOLIDAY PAY	U202	115	8.0		8.0	0.5
ALL OTHER CODE 11 - FN	U203	119	9.8		9.8	
ALL OTHER CODE 12 - FN	U204	129	3.3		3.3	
BENEFITS FORMER FN PERSONNEL	U205	13				
<u>CONTRACT PERSONNEL</u>	U300		81.5		81.5	
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	56.5		56.5	2
ALL OTHER U.S. PSC COSTS	U303	255				
F.N. PSC - SALARY/BENEFITS	U304	113	25.0		25.0	4
ALL OTHER F.N. PSC COSTS	U305	255				
MANPOWER CONTRACTS	U306	259				
JCC COSTS PAID BY AID/W	U307	113				
<u>HOUSING</u>	U400		174.8		174.8	
RESIDENTIAL RENT	U401	235	25.8		25.8	5
RESIDENTIAL UTILITIES	U402	235	23.0		23.0	
MAINTENANCE AND RENOVATION	U403	259	8.0		8.0	
QUARTERS ALLOWANCES	U404	127	1.5		1.5	
RESIDENTIAL FURNITURE/EQUIP.	U405	311	30.0		30.0	
TRANS./FREIGHT - CODE 311	U406	22	20.0		20.0	
SECURITY GUARD SERVICES	U407	254	65.0		65.0	
OFFICIAL RESIDENCE ALLOWANCES	U408	254				
REPRESENTATION ALLOWANCES	U409	252	1.5		1.5	

TABLE VIII - FY 1988
Operating Expense Summary
(continued)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
OFFICE OPERATIONS	U500		251.2		251.2	
OFFICE RENT	U501	234	7.7		7.7	
OFFICE UTILITIES	U502	234	10.5		10.5	
BUILDING MAINT./RENOVATION	U503	259-	6.0		6.0	
OFFICE FURNITURE/EQUIPMENT	U504	310	10.0		10.0	
VEHICLES	U505	312	20.0		20.0	
OTHER EQUIPMENT	U506	319	15.0		15.0	
TRANSPORTATION/FREIGHT	U507	22	10.0		10.0	
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	24.0		24.0	
COMMUNICATIONS	U509	230	30.0		30.0	
SECURITY GUARD SERVICES	U510	254				
PRINTING	U511	24	2.5		2.5	
SITE VISITS-MISSION PERSONNEL	U512	210	16.0		16.0	25
SITE VISITS-AID/W PERSONNEL	U513	210	18.0		18.0	4
INFORMATION MEETINGS	U514	210	7.0		7.0	6
TRAINING ATTENDANCE	U515	210	12.0		12.0	4
CONFERENCE ATTENDANCE	U517	210	3.5		3.5	2
OTHER OPERATIONAL TRAVEL	U518	210	1.0		1.0	2
SUPPLIES AND MATERIALS	U519	26	35.0		35.0	
FAAS	U520	257				
CONSULTING SVCS. - CONTRACTS	U521	259				
MGT./PROF. SVCS. - CONTRACTS	U522	259				
SPEC. STUDIES/ANALYSES CONT.	U523	259				
ALL OTHER CODE 25	U524	259	23.0		23.0	
TOTAL O.E. BUDGET			1362.1		1362.1	
RECONCILIATION			(552.0)		(552.0)	
OPERATING BUDGET REQUIREMENTS			810.1		810.1	
636C REQUIREMENTS	U600	32	0		0	
TOTAL ALLOWANCE REQUIREMENTS	U000		810.1		810.1	

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
EXCHANGE RATE USED (MARCH 31, 1986)

592.8
\$1.00 = R2.10

Estimated Wage Increase - FY 1987 to FY 1988
Estimated Price Increase - FY 1987 to FY 1988

10%
10%

ADJUSTED TABLE

TABLE VIII - FY 1988
Operating Expense Summary

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		799.6		799.6	
U.S. CITIZENS BASIC PAY	U101	110	533.6		533.6	9
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	53.4		53.4	9
OTHER AID/W FUNDED CODE 11	U104	119				
OTHER MISSION FUNDED CODE 11	U105	119				
EDUCATION ALLOWANCES	U106	126	42.0		42.0	8
RETIREMENT - U.S. DIRECT HIRE	U107	120	37.3		37.3	
LIVING ALLOWANCES	U108	128				
OTHER AID/W FUNDED CODE 12	U109	129	19.6		19.6	
OTHER MISSION FUNDED CODE 12	U110	129	1.4		1.4	
POST ASSIGNMENT - TRAVEL	U111	212	13.0		13.0	2
POST ASSIGNMENT - FREIGHT	U112	22	26.0		26.0	2
HOME LEAVE - TRAVEL	U113	212	8.6		8.6	2
HOME LEAVE - FREIGHT	U114	22	20.2		20.2	2
EDUCATION TRAVEL	U115	215	15.0		15.0	6
R AND R TRAVEL	U116	215	19.5		19.5	8
OTHER CODE 215 TRAVEL	U117	215	10.0		10.0	62
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200		159.6		159.6	
BASIC PAY	U201	114	138.5		138.5	9
OVERTIME, HOLIDAY PAY	U202	115	8.0		8.0	0.5
ALL OTHER CODE 11 - FN	U203	119	9.8		9.8	
ALL OTHER CODE 12 - FN	U204	129	3.3		3.3	
BENEFITS FORMER FN PERSONNEL	U205	13				
<u>CONTRACT PERSONNEL</u>	U300		81.5		81.5	
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	56.5		56.5	2
ALL OTHER U.S. PSC COSTS	U303	255				
F.N. PSC - SALARY/BENEFITS	U304	113	25.0		25.0	4
ALL OTHER F.N. PSC COSTS	U305	255				
MANPOWER CONTRACTS	U306	259				
JCC COSTS PAID BY AID/W	U307	113				
<u>HOUSING</u>	U400		187.5		187.5	
RESIDENTIAL RENT	U401	235	34.9		34.9	7
RESIDENTIAL UTILITIES	U402	235	25.8		25.8	
MAINTENANCE AND RENOVATION	U403	259	9.0		9.0	
QUARTERS ALLOWANCES	U404	127	1.3		1.3	0.0
RESIDENTIAL FURNITURE/EQUIP.	U405	311	30.0		30.0	
TRANS./FREIGHT - CODE 311	U406	22	20.0		20.0	
SECURITY GUARD SERVICES	U407	254	65.0		65.0	
OFFICIAL RESIDENCE ALLOWANCES	U408	254				
REPRESENTATION ALLOWANCES	U409	252	1.5		1.5	

ADJUSTED TABLE

TABLE VIII - FY 1988
Operating Expense Summary
 (continued)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
OFFICE OPERATIONS	U500		251.2		251.2	
OFFICE RENT	U501	234	7.7		7.7	
OFFICE UTILITIES	U502	234	10.5		10.5	
BUILDING MAINT./RENOVATION	U503	259	6.0		6.0	
OFFICE FURNITURE/EQUIPMENT	U504	310	10.0		10.0	
VEHICLES	U505	312	20.0		20.0	
OTHER EQUIPMENT	U506	319	15.0		15.0	
TRANSPORTATION/FREIGHT	U507	22	10.0		10.0	
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	24.0		24.0	
COMMUNICATIONS	U509	230	30.0		30.0	
SECURITY GUARD SERVICES	U510	254				
PRINTING	U511	24	2.5		2.5	
SITE VISITS-MISSION PERSONNEL	U512	210	16.0		16.0	25
SITE VISITS-AID/W PERSONNEL	U513	210	18.0		18.0	4
INFORMATION MEETINGS	U514	210	7.0		7.0	6
TRAINING ATTENDANCE	U515	210	12.0		12.0	4
CONFERENCE ATTENDANCE	U517	210	3.5		3.5	2
OTHER OPERATIONAL TRAVEL	U518	210	1.0		1.0	2
SUPPLIES AND MATERIALS	U519	26	35.0		35.0	
FAAS	U520	257				
CONSULTING SVCS. - CONTRACTS	U521	259				
MGT./PROP. SVCS. - CONTRACTS	U522	259				
SPEC. STUDIES/ANALYSES CONT.	U523	259				
ALL OTHER CODE 25	U524	259	23.0		23.0	
TOTAL O.E. BUDGET			1479.4		1479.4	
RECONCILIATION			(643.9)		(643.9)	
OPERATING BUDGET REQUIREMENTS			835.5		835.5	
636C REQUIREMENTS	U600	32	0		0	
TOTAL ALLOWANCE REQUIREMENTS	U000		835.5		835.5	

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
 EXCHANGE RATE USED (MARCH 31, 1986)

\$604.3
\$1.00 = R2.10

Estimated Wage Increase - FY 1987 to FY 1988
 Estimated Price Increase - FY 1987 to FY 1988

10%
15%

TABLE VIII(a)
Information on U.S. PSC Costs

<u>Position Title/Description</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
Administrative Assistant	29,000 (8/86 - 7/87)	29,500 (8/87 - 7/88)	30,000 (8/88 - 7/89)
Senior Accountant	25,000 (4/86 - 3/87)	25,800 (4/87 - 3/88)	0 -
Secretary	17,000 (5/86 - 5/87)	17,500 (6/87 - 5/88)	18,000 (6/88 - 5/89)
Librarian (part-time)	7,500 (3/86 - 3/87)	8,000 (4/87 - 3/88)	8,500 (4/88 - 3/89)

TABLE VIII(b)
All Other Code 25 Detail

<u>Description</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
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NONE

INFORMATION TECHNOLOGY NARRATIVE

Currently, USAID/Lesotho has six Wang Professional Computers in operation. Five of these have ten megabyte hard-disk drives while one works on a dual floppy disk system. These WANG PCs also have IBM Emulation capabilities.

The computers are used by the Mission staff comprised of ten USDH, one PASA, eight FSN and three U.S. contract personnel and also by a number of TDYers.

The application of the computers in order of importance are:

1. Data communication with RFMC for MACS input.
2. Project and OE budgeting and analysis.
3. Word Processing.
4. Participant tracking.
5. Various spread sheets (Property/Personnel list, Procurement status and Evaluation plans).

The most widely used softwares are Multiplan and Lotus. DBASE III has been introduced recently for participant tracking use.

The Mission is planning to purchase two more WANG PCs in FY 1987. One will be used by the Mission Director's secretary and the other will be used by the Mission Controller. This is based on current and anticipated workloads and usage of existing computers and also is in line with the USAID/Maseru - Mission Automation Assessment Report prepared by M/SER/IRM/MPS in December 1985. This IRM Report recommended a total of eight PCs for the Mission.

The Mission is also in the process of establishing a telecommunication link with USAID/Swaziland for real time interaction with the MACS accounting system in Swaziland.

TABLE VIII(c)
OBLIGATIONS FOR ACQUISITION, OPERATION
AND USE OF INFORMATION TECHNOLOGY SYSTEMS
(\$000)

<u>ITEM AND EXPLANATION</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
1. Capital Investment			
A. Purchase of Hardware	-	20.0	-
Purchase of automation equipment by the Mission; such as WANG VS mini-computer, WANG OIS System, WANG WP equipment and micro-computers and their associated workstations and terminals, printers and telecommunications modems. List on one line, each item of equipment separately, by vender name, name of item and model number. Show cost of acquisition under appropriate fiscal year.			(Two WANG PCs complete with workstation, printers and telecommunication modems)
B. Purchase of Software	-	1.0	1.0
Purchase of software by the Mission to operate existing or new automation equipment (hardware) such as CP/M, Multiplan, DBASE and Microstat, LOTUS 1-2-3, etc. List on one line, each item of software separately, by vender name, name of item and brief description. Show cost of acquisition under appropriate fiscal year.			(Software for new automation)
C. Site Facility		N/A	
Cost of proposed site construction to prepare for setting up a WANG VS or WANG OIS automation system, such as raised floors, walls, air conditioning and un-interruptible power sources.			
SUBTOTAL	<u> </u>	<u>21.0</u>	<u>1.0</u>
<hr/>			
2. Personnel			
Mission will provide requirements below for personnel involved in the information technology functions, such as systems development and operation, and the percentage of management and secretarial personnel also involved. Personnel that use systems will not be included		N/A	
A. Compensation, Benefits and Travel			
B. Workyears	<u> </u>	<u> </u>	<u> </u>

TABLE VIII(c)
(Continued)

<u>ITEM AND EXPLANATION</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
3. <u>Equipment Rental, Space and Other Operating Costs</u>			
A. <u>Lease of Equipment</u> Obligations for lease and maintenance of non-government owned equipment (rented equipment).		N/A	
B. <u>Space</u> Obligations for lease of space to house automation equipment, office space for personnel (direct-hire and contractor) involved in the information technology function (See 2A & 2B) including basic utilities and house-keeping services.		N/A	
C. <u>Supplies and Other Material</u> Obligations for supplies and software rental (not included in a rental contract for equipment).	2.5	3.0	4.0
D. <u>Non-Commercial Training</u> Obligations for planning and conducting government operated training to prepare users to make effective use of resources.	0	1.2	1.2
SUBTOTAL	<u>2.5</u>	<u>3.2</u>	<u>5.2</u>

4. Commercial Services

This includes obligations for services where payments are made to private industry.

A. Computer Time

Obligations to fund contracts with a private firm to provide computer time to the Mission.

B. Leased Telecommunications Services

Obligations for leased telephone lines and other telecommunications services to obtain data from other computers or to transmit data. For Missions, where applicable include, but identify separately, the lease of local telephone lines and modems to reach the American Embassy's Office of Communications for the purpose of transmission of data to and from AID/W.

6.0	12.0	12.0
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TABLE VIII(c)
(Continued)

<u>ITEM AND EXPLANATION</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
<u>C. Operations and Maintenance</u>			
(1) <u>Operations</u> Include funds to be obligated for contractor services to operate a WANG VS computer or an OIS System (System administrator and staff, not workstation operators).			
(2) <u>Maintenance</u> Include obligations for contracts to maintain government-owned equipment (hardware) and software that is currently in place and that is to be acquired in 1A and 1B above.	10.0	12.0	14.0
<u>D. Systems Analysis and Programming</u> Obligations for contractor services to design and program new ADP or OIS application systems and to maintain existing systems.			
<u>E. System Design and Engineering</u> (NOT REQUIRED BY AID MISSIONS)			
<u>F. Studies and Other</u> Obligations for management and feasibility studies, requirement definitions, and commercial training.			
SUBTOTAL	<u>16.0</u>	<u>24.0</u>	<u>17.2</u>
<hr/>			
5. TOTAL DOLLARS	<u>18.5</u>	<u>26.6</u>	<u>23.4</u>
TOTAL WORKYEARS (From item 2A)	<u> </u>	<u> </u>	<u> </u>
<hr/>			
6. <u>MISSION ALLOWANCE LEVELS</u>			
A. Amounts included in Mission allowances for existing systems (includes 2A, 3, and 4). (Services for equipment in place only.)	<u> </u>	<u> </u>	<u> </u>
B. Amounts included in Mission allowances for new or expanded systems (includes 1, 2A, 3, and 4.) (Equipment and services for new efforts beginning during the FY.)	<u> </u>	<u> </u>	<u> </u>

FY 1988 ANNUAL BUDGET SUBMISSION
 TABLE VIII (D) - INFORMATION ON U.S. DIRECT HIRE STAFFING

POSNO.	POSITION TITLE	PROGRAM MANAGEMENT RESPONSIBILITY	FY	FY	FY
			1986	1987	1988
6320005	Mission Director	None	1	1	1
New	Assistant Dir.	None	0	.8	1
6320020	Executive Asst.	None	1	.8	1
6320015	Executive Officer	None	1	.9	1
6320093	Controller	None	1	1	1
6320050	Program Officer	CCCD (698-0421.32) Peace Corp Small Proj. (698-0506.32) PD&S (698-0135)	.8	0	0
6320072	Human Resources Development Officer	Manpower Development (632-0069) Basic and Non-Formal Education Systems (632-0222) Coordinator of Education Components in all Sectors Instructional Materials Resource Center (632-0061) National University of Lesotho (632-0080) LDTIC (931-1054)	1	1	1
6320080	Gen. Eng. Officer	Southern Perimeter Road (690-0076) Rural Water and Sanitation (632-0088) Energy Initiatives	.8	0	0
6320095	Ag. Dev. Officer	Agriculture Planning (632-0218) Agricultural Production & Institutional Support (632-0221) PL480 Title II PL480 Title II Monetization Program	1	1	1
6320010	Proj. Mgr/Ag.	Credit Union Development (632-0214) Farming Systems Research (632-0065) Land Conservation & Range Development (632-0215) CRS Outreach Grant CRS Watershed Management (Monetization Funded)	1	.5	0
6320060	Proj. Dev. Officer	General Project Imple- mentation & Monitoring and Backstopping for all Projects. Peace Corps Small Projects (698-0506.32) CCCD (698-0421.32) PD&S (698-0135) Southern Perimeter Road (690-0076) Rural Water & Sanitation Project (632-0088) Family Health Initiatives Subproject (New - Under Development)	1	1	1

FY 1988 ANNUAL BUDGET SUBMISSION

TABLE VIII (F) - INFORMATION ON FOREIGN & THIRD COUNTRY
NATIONAL STAFFING

PSN/TCN	DESCRIPTIVE JOB TITLE	FY 1986	FY 1987	FY 1988
PSHDE	General Services Asst. (Inventory Supplies)	1	1	1
PSNDE	Financial Asst. (Cashier, OE, Budget Control)	1	1	1
PSHDE	Voucher Examiner (Project, OE, Voucher Review, Alternate Cashier)	1	1	1
PSNDE	Training Assistant II (Participant Coordinator)	1	1	1
PSHDE	Program Assistant (Project Implementation)	1	1	1
TCHDE	Chief Accountant	1	1	1
TCNDE	Engineer	1	1	1
PSNDE	Clerk (C&R)	1	0	0
PSNPSC	Clerk (C&R)		1	1
PSNDE	Clerk I (Receptionist)	1	0	0
PSNPSC	Clerk I (Receptionist)		1	1
PSNPSC	Agriculture Assistant (PL480 Title II)	.8	1	1
PSNPSC	General Services Assistant (Procurement and Shipping)	1	1	1
PSNPSC	General Services Assistant (Misc. Services)	.3	1	1

COUNTRY: Lesotho

NARRATIVE
Privatization Plan
FY1988 Annual Budget Submission

PRIVATIZATION: Private enterprise and an open, competitive market place are encouraged by the Government of Lesotho. Consequently, there are limited candidates for privatization but likely candidates include the Lesotho Flour Mills, Lesotho Cooperative, Lesotho National Development Corporation and Lesotho Distance Teaching Center.

In February 1984, USAID supported an in-depth analysis of the private sector. This study which examined past private enterprise successes and failures, legal and cultural constraints to enterprise formulation and government attitudes and incentives produced essential baseline data on the private sector. In late CY 1984 and 1985, the USAID explored opportunities for involvement with the Chamber of Commerce. These discussions were deferred when internal political and management problems threatened the viability of the Chamber. Simultaneously, Lesotho itself was experiencing national level political problems which contributed to an unsure business environment and a drop in investor interest.

With the change of Government in January, 1986, the business picture has brightened and investor confidence has been partially restored. Naturally, however, Lesotho will continue to be affected by unrest in South Africa and moves to disinvest as it depends economically and is an enclave of that nation. As a result, USAID anticipates that most investment capital to support privatization or new enterprises will have to be stimulated or generated locally.

After the new Government has completed its transitional phase, the Mission intends to begin a dialogue with responsible officials regarding possible privatization actions.

Initially, USAID-GOL discussions will deal with the need for privatization to ensure there is commonality of approach and purpose. These discussions will be undertaken in FY1987. Subsequent efforts would be directed to the joint identification of those agencies or entities which could be privatized with relatively modest ease.

This would involve at the most, the USAID envisions, the privatization of two or three agencies or entities which would begin in late FY1987 and FY1988.

The USAID will also use these discussions to pursue project related privatization and private enterprise creation opportunities. These include privatization of rural water maintenance, creation/expansion of marketing and input supply mechanisms under the USAID-funded Lesotho Agricultural Production and Institutional Support (LAPIS) Project and possible spin-off of certain health services. The USAID will also follow carefully the development of the multi-billion dollar Lesotho Highlands Water Scheme for possible private sector/enterprise opportunities. Preliminary work in some of these project related areas is proposed for Program Development and Support (PD&S) funding.

Lastly, efforts would be directed to those agencies or entities who are not immediate or attractive candidates for privatization either due to management difficulties, their loss situation or other reasons. A review by the GOL and USAID of these agencies is envisioned to identify areas for improvement which would improve the candidate's prospect for privatization. The financing of assistance relative to improving the agency or entities' performance would hopefully be provided by the GOL but could be supplemented by other donor and limited PD&S funds. This effort will continue through FY1989-90.

FY 1988 ANNUAL BUDGET SUBMISSION
 PROJECT OBLIGATIONS - FY 1986
 PPC TABLE III

STATUS OF CURRENT YEAR OBLIGATION
 FY-86 (000)

M5 OF
 MAY 21, 1986

LOCAL Support Act.

GRANT FUNDS:	OVB	ALLOTTED	OBLIGATED	PERCENT OF OVB OBLIG	UNOBLIGATED ALLOTMENT	DATE ALLOT RECEIVED	PROJECTED/ACTUAL DATE OF OBLIGATION
AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION (AG)							
0510 PD&S	85.0	53.3	27.6	52%	25.7	2/20/86	INCLUDES 915.3 LOCAL Support Act.
0218 AGRICULTURE PLANNING	263.0	263.0	263.0	100%	0.0	2/28/86	04/08/86
0221 AG. FRGD AND INST SUPPORT	4259.0	4259.0	4259.0	100%	0.0	2/28/86	03/15/86
699- SMALL PROJECT ASSISTANCE							
0500.32 PROGRAM (AID/FC)	40.0	40.0	0.0	0%	40.0		
TOTAL ARDN	4647.0	4615.3	4349.6	98%	25.7		
POPULATION PLANNING (BP)							
0510 PD&S	35.0	22.3	22.3	64%	0.0		LOCAL SUPPORT COST
TOTAL POP	35.0	22.3	22.3	64%	0.0		
HEALTH (CB)							
0510 PD&S	100.0	0.0	0.0	0%	0.0		
0421.32 CCCC	97.0	0.0	0.0	0%	0.0		
TOTAL HLTH	197.0	0.0	0.0	0%	0.0		
EDUCATION, HUMAN RESOURCES (EG)							
0510 PD&S	85.0	0.0	0.0	0%	0.0		
0222 BASIC AND NON FORMAL EDUC	5138.0	5138.0	5138.0	100%	0.0	2/27/86	3/14/86
TOTAL EDUC/HR	5223.0	5138.0	5138.0	98%	0.0		
SELECTED DEVELOPMENT ACT. (DB)							
9901 SELF-HELP	85.0	85.0	63.7	75%	21.3		
TOTAL SDA	85.0	85.0	63.7	75%	21.3		
TOTAL GRANT FUNDS	10272.0	9838.3	9751.3	95%	47.0		
OPERATING EXPENSES	737.4	565.0	523.5	71%	41.5		
POS LOCAL SUPPORT COST	37.5	0.0	0.0	0%	0.0		
TOTAL 1986 OVB \$9660.0 PERCENT OF OVB OBLIGATED 0%							

**FY 1988 ANNUAL BUDGET SUBMISSION
PIPELINE ANALYSIS AND EXPENDITURE
PERFORMANCE PPC TABLE IV**

USAID/LESOTHO
QUARTERLY PROJECT PIPELINE REPORT
AS OF MARCH 31, 1988
DOLLARS (000)

PROJECT NO.	PROJECT NAME	FUNDING SOURCE	AUTH LOP	OBLIGATIONS		ACCRUED EXPENDITURES		% OF OBL EXPENSED	PIPELINE AMT.	PAID	
				CURR YR	CUM DBL	PRIOR YR	CUM EXP				
0056	RURAL HEALTH DEV	POP HLTH	343.0 2402.6	333.7 2849.3	-6.1 -12.6	333.7 2849.3	-6.1 -12.6	327.6 2856.5	1001 1001	0.0 0.0	
	TOTAL PROJECT 0056		3245.0	3203.0	-18.9	3184.1	-18.9	3184.1	1001	0.0 07/31/85	
0061	INST MAT RES CTR, PH I	EDUC	472.0	472.0	0.0	440.7	0.0	440.7	931	31.3	
	INST MAT RES CTR, PH II	EDUC	2409.0	2409.0	0.0	2637.5	162.6	2820.1	971	88.9	
	TOTAL PROJECT 0061		3381.0	3381.0	0.0	3098.2	162.6	3260.8	962	120.2 09/30/86	
0065	FARMING SYSTEMS RESEARCH	SA AROM	995.0 10199.0	995.0 10199.0	0.0 0.0	979.4 10199.0	5.3 8142.2	984.9 9171.4	991 901	10.1 1027.6	
	TOTAL PROJECT 0065		11194.0	11194.0	0.0	11194.0	1034.5	10156.3	912	1037.7 07/31/86	
0069	MANPOWER DEVELOPMENT	SA EDUC	1767.0 8203.0	1767.0 8203.0	0.0 0.0	1685.3 8197.0	11.3 174.4	1696.8 7371.4	961 901	70.2 831.6	
	TOTAL PROJECT 0069		9970.0	9970.0	0.0	9970.0	185.7	9068.2	912	901.8 09/30/86	
0076	SOUTHERN PERIMETER RD.	SA ESF	26000.0 8000.0	26000.0 8000.0	0.0 0.0	26000.0 7930.1	520.3 0.4	23275.8 7930.5	901 991	2724.2 69.5	
	TOTAL PROJECT 0076		34000.0	34000.0	0.0	34000.0	520.9	31206.3	921	2793.7 11/30/87	
0080	NATIONAL UNIV. LESOTHO	EDUC	5871.0	4621.0	0.0	4621.0	2856.8	136.6	2987.4	651	1633.6 06/02/86
0088	RURAL WATER & SANITATION	HLTH	12142.1	12142.0	0.0	12142.0	8247.9	990.5	9230.4	761	2903.6 09/30/88
0208	RENEWABLE ENERGY TECH	SD	1500.0	1584.1	0.0	1584.1	1584.1	0.0	1584.1	1001	0.0 09/30/84
0214	CREDIT UNION SERV.	AROM	992.4	992.4	0.0	992.4	856.9	99.5	996.4	961	36.0 05/15/86
0215	LAND CONSERVATION AND RANGE DEVELOPMENT	AROM	12000.0	12000.0	0.0	12000.0	7444.5	427.5	7872.0	661	4128.0 08/29/87
0218	AGRICULTURE PLANNING	AROM	6200.0	5597.0	0.0	5597.0	3223.2	285.7	3508.9	631	2088.1 12/31/87
0220	NUTRITION PLANNING II	AROM	382.0	382.0	0.0	382.0	382.0	0.0	382.0	1001	0.0 02/12/84
0221	AG. PROD AND INST SUPPORT	AROM	26100.0	1363.0	4259.0	5622.0	0.0	1.3	1.3	01	5620.7 08/31/91
0222	BASIC & NON FORMAL EDUC	EDUC	25750.0	6006.0	5138.0	11138.0	377.5	1051.6	1429.1	131	9708.9 04/30/90
1034	LEB DIST TEACH CTR-PH II	EDUC	2690.0	2389.1	0.0	2389.1	1820.0	350.4	2170.1	911	218.7 04/30/86
1421	COMM CHILDHOOD COMM CTS	HLTH	56.9	415.6	0.0	415.6	84.3	58.0	142.3	341	273.3 05/31/88
0424	ENERGY INITIATIVES	SD	250.0	250.0	0.0	250.0	38.0	30.6	68.6	271	181.4 09/03/86
9300	AID/PL SMALL PROJ. INST.	SD	100.0	100.0	0.0	100.0	48.9	6.1	55.2	661	44.8 06/19/87
	TOTAL PROJECTS		169444.2	118982.3	81949.0	5322.8	87271.8	731	11710.5		

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FY 1988 ANNUAL BUDGET SUBMISSION
AFR TABLE I
MANAGEMENT UNITS REQUIRED FOR MISSION AND PROJECT ADMINISTRATION

USDH/PSN	POSITION TITLE	FY 1986 PERSON MONTHS		
		USDH	OE FUNDED	PROJECT FUNDED
a) <u>Administrative Functions</u>				
USDH	Mission Director	12		
USDH	Executive Assistant	12		
USDH	Executive Officer	12		
USDH	Controller	12		
FSNDH	Gen. Serv. Asst. (Admin. Property)		12	
FSNDH	Clerk		12	
FSNDk	Clerk (Receptionist)		12	
FSNDH	Financial Assistant		12	
FSNDH	Voucher Examiner		12	
TCHDH	Chief Accountant		12	
FSNPSC	Gen. Serv. Asst. (Proc. & Supply)		12	
FSNPSC	Gen. Serv. Asst. (Superv)		3	
USPSC	Administrative Assistant		12	
USPSC	Senior Accountant		12	
USPSC	Secretary		7	
USPSC	Librarian		4	
USDH	REDSO Assistance	1		
	SUBTOTAL	49	122	0
b) <u>Portfolio Functions</u>				
USDH	Program Officer	9		
USDH	Human Resources Dev. Officer	12		
USDH	General Engineering Officer	10		
USDH	Agriculture Development Officer	12		
USDH	Project Manager/Agriculture	12		
USDH	Project Development Officer	12		
USDH	Asst. Human Resources Dev. Officer	12		
FSNDH	Training Assistant		12	
FSNDH	Program Assistant		12	
TCNDH	Engineer		12	
FSNPSC	Agriculture Assistant		5	
USDH	REDSO Assistance	4		
USDH	AID/W	5		
USDH	Other Mission TDY Assistance	1		
	Chemonics Contract			20
	Academy for Educational Dev.			180
	Washington State University			105
	TransCentury Corporation			96
	American Ag International			20
	Frederiksen, Kamine & Associates			70
	Morrison-Maierle			48
	Credit Union (CUNA)			12
	CRS			12
	CARE			12
	SUBTOTAL	89	41	575
	- TOTALS	<u>126</u>	<u>128</u>	<u>575</u>

COUNTRY: Lesotho

AFRICA TABLE 2
 FY1986 ANNUAL BUDGET SUBMISSION
 HISTORICAL RECORD OF PROJECTS

PROJECT NO. AND TITLE	DATE OBLIG.	AUTH. LOP	REVISIONS TO LOP		CURRENT LOP		PROPOSED LOP		ORIG. PACD	REVISIONS TO PACD	CURRENT PACD	PROPOSED PACD
			-	-	-	-	-	-				
DEVELOPMENT ASSISTANCE PROJECTS												
A. Agriculture, Rural Development and Nutrition												
1. 632-0065 Farming Systems Research	5/15/78	11,194	-	11,194	11,194	3/31/84	1	07/31/86	07/31/86 a/			
2. 632-0215 Land Conservation & Range Development	8/29/80	12,000	-	12,000	12,000	8/29/87	-	8/29/87	8/29/87			
3. 632-0218 Agricultural Planning	8/29/80	6,200	-	6,200	6,200	12/31/87	1	7/31/90	7/31/90			
4. 632-0221 Agricultural Production and Institutional Support	8/30/85	26,100	-	26,100	26,100	8/30/91	-	8/30/91	8/30/91			
B. Health												
632-0088 Rural Water and Sanitation	8/30/79	12,142	-	12,142	12,142	9/30/88	-	9/30/88	9/30/88			
C. Education and Human Resources												
1. 632-0061 Instructional Materials Resource Center	9/30/77	578	1	3,381	3,381	2/28/79	3	9/30/86	9/30/86			
2. 632-0059 Manpower Dev. and Training	8/31/78	9,970	-	9,970	9,970	9/30/83	1	9/29/86	9/29/86 b/			

a/ Extension to 11/30/86 in process
 b/ Extension to 9/29/87 in process

3. 632-0080 National University of Lesotho	6/02/81	5,246	1	5,871	5,871	6/2/86	1	6/2/87	6/2/87
4. 632-0222 Basic and Non-Formal Education Systems	7/26/84	25,750	-	25,750	25,750	4/30/90	-	4/30/90	4/30/90
D. Regionally/Centrally Funded Projects									
1. 690-0076 Southern Perimeter Road	6/30/78	26,000	1	34,000	34,000	5/31/83	2	11/30/87	11/30/87
2. 698-0421.32 Combatting Childhood Communicable Diseases	5/24/84	499	1	569	569	5/31/88		5/31/88	5/31/88
3. 698-0424.32 Increased Rural Productivity through Marketing and Disseminating Energy Technologies (EIA Regional sub-Project)	8/31/84	250		250	250	9/1/86		9/5/86	9/5/86 c/

c/ Extension to 5/04/87 in process subject to GOL meeting certain conditions

COUNTRY: Lesotho

AFRICA TABLE IV
Private and Voluntary Organizations (PVO's)

<u>Project No.</u>	<u>Project Title</u>	<u>PVO Organization</u>	<u>Origin of Organization</u>	<u>Functional Through Account</u>	<u>FY1985</u>	<u>FY1986</u>	<u>FY1987</u>	<u>FY1988</u>	<u>Total LOP Funding</u>
LS-ID-004	Outreach Grant Catholic Relief Services		New York, USA	ARDN	615.4	24.7 ¹	-0-	-0-	615.4
632-0221	Improved Community Forestry and Agricultural Resources Management (ICFARM) ²	CARE	New York, USA	ARDN	-0-	120.5	199.6	125.3	628.3
632-0221	Lesotho Coop-3 erative Credit of North Union League America (LCCUL)		Madison, Wisconsin USA	ARDN	-0-	360.0	382.6	530.0	2,142

1/ LS-ID-004 Outreach Grant: USAID has requested \$24.7 thousand to carry project through revised PACD of 12/31/86. To date, request has not been approved by AID/W PPP/FVA. If not approved, LOP funding of Outreach Grant will total \$615.4 thousand.

2/ 632-0221 Improved Community Forestry and Agricultural Resources Management (ICFARM) Project is funded under/ from funds approved for Lesotho Agricultural Production and Institutional Support (LAPIS) Project.

3/ 632-0221 Lesotho Cooperative Credit Union League (LCCUL) Project is funded under/ from funds approved for Lesotho Agricultural Production and Institutional Support (LAPIS) Project.

COUNTRY: Lesotho

AFRICA TABLE V - PRIVATE SECTOR ACTIVITIES
FY1988 ANNUAL BUDGET SUBMISSION

PROJECT NUMBER AND TITLE	IMPLEMENTING ORGANIZATION	FUNCTIONAL ACCOUNT	LOP YEARS	LOF FUNDING	LOP	PRIVATE SECTOR PERCENTAGES		
						FY1986	FY1987	FY1988
1. 632-0221 Agricultural Production and Institutional Support (LAPIS)	Min of Agr	ARDN	6	26,100	41%	55%	50%	32%
2. 632-0222 Basic and Non-Formal Education Systems (BANFES)	Min of Educ	EHR	6	25,750	25%	26%	26%	31%
3. 632-0215 Land Conservation and Range Development	Min of Agr	ARDN	7	12,000	31%	28%	26%	--
4. 698-0424.32 Improved Rural Production through Marketing and Disseminating Energy Initiatives for Africa (EIA Regional Sub-Project)	Min of Rural Development	SDA	2	250	41%	38%	44%	--
5. 632-0218 Agricultural Planning	Min of Agr	ARDN	10	6,200	10%	12%	10%	10%

COUNTRY: Lesotho

AFRICA TABLE 6

FY1988 Annual Budget Submission
Regionally and Centrally Funded Activities

Project No. and Title	Date Begun	PACD	Responsible Office	(000's) LOP Cost	Priority	Mission Time Spent on Activity		
						Proj Mgr	Other	
1. 690-0076 Southern Perimeter Road	6/78	11/87	USAID/Lesotho	34,000.0	High	24wks/PY	12wks/PY	
2. 931-1054 Structuring Non-Formal Education Resources	6/78	4/86 ¹	ST/ED	2,690.0	High	4wks/PY	2wks/PY	
3. LS-ID-004 CRS Outreach	5/83	5/86 ²	FVA/PPP	615.4	High	4wks/PY	2wks/PY	
4. 698-0421.32 Combatting Childhood Communicable Diseases (CCCD) ³	5/84	5/88	a) AFR/RA b) CDC Atlanta GA	562.9	High	4wks/PY	3wks/PY	
5. 698-0424.32 Increased Rural Productivity through Marketing and Disseminating Energy Technologies (EIA Regional Sub-Project)	9/84	9/86	APR/RA	250.0	Medium	3wks/PY	3wks/PY	
6. Proposed: Family Health Initiatives Sub-Project (New) ⁴	10/86	--	ST/POP	824.1	High	To be Determined		

- 1/ 931-1054 Structuring Non-Formal Education Resources: Project terminated as scheduled on PACD.
- 2/ LS-ID-004 CRS Outreach: Extension of Project to 12/86 requested/planned.
- 3/ 698-0421.32 Combatting Childhood Communicable Diseases (CCCD): LOP cost, as indicated, is funding of country activity only and does not include regional CCCD project support.
- 4/ Proposed: Family Health Initiatives (PHI) Subproject: Project under development will be submitted for S&T/POP review in July 1986. Funding from centrally funded PHI project will be supplemented through buy-ins/interaction with other central/regionally funded population projects. Value of such inputs estimated at \$449.1 thousand. NOTE: Proposed funding may change as project proposal is finalized.

COUNTRY: Lesotho

TABLE VII - LIST OF PLANNED EVALUATIONS
FY1988 ANNUAL BUDGET SUBMISSION

Project Number and Title	Last Eval Completed (Mo./Yr.)	FY1987 Start (Qtr)	FY1987 To (AID/W) (Qtr)	FY1988 Start (Qtr)	FY1988 To (AID/W) (Qtr)	Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral Assistance
I. Category I: Project Issues Evaluations									
A. FY1987									
None required or planned									
B. FY1988									
None required or planned									
II. Category II: Threshold Evaluations									
A. FY1987									
None planned or required									
B. FY1988									
None planned or required									
III. Category III: Lessons Learned Evaluations									

4. FY1987

Activity	Start	End	Proj	15	10	1	Notes
1. 622-0215 Land Conservation and Range Development	6/84	3	4	--	--	PACD: 12/87	1 Contract Conservation Specialist and one Range Specialist (2 weeks)
							Project assists the 80L in conserving and developing national farm land and range resources by designing and implementing conservation measures and land management practices, and by strengthening the institutional capability of the Ministry of Agriculture (Range Management and Conservation Divisions)
2. 632-0061 Instructional Materials Resource Center a/	7/85	--	--	--	--	PACD: 9/30/86	-- Final project evaluation undertaken 7/85
3. 632-0080 National University of Lesotho b/	8/84	3	4	--	--	PACD: 6/2/87	25 1 Adult Non-Formal Education Specialist 1 College/University Extension Specialist (4 weeks)
							Project is to increase the capacity of the National University of Lesotho to extend development education to the people through its extension arm (the Institute of Extra Mural Studies), and to promote development of other university faculties in a manner consistent with this outreach goal. Final project evaluation will measure overall project success in meeting objectives and examine lessons learned.
4. 931-1054 Structuring Non-Formal Education Resources	4/86	--	--	--	--	PACD: 4/30/86	Final project evaluation undertaken 4/86
5. 690-0076 Southern Perimeter Road	10/85					PACD: 11/87	Final project evaluation undertaken 10/85
6. 632-0061 Instructional Materials Resource Centers							Project extended to 9/30 to accomplish training of IMRC personnel as major TA team had departed prior to last evaluation. As 1985 evaluation is considered last evaluation it will be updated by an internal memorandum.
7. 632-0080 National University of Lesotho							PACD extended by twelve months to 6/2/87 and final project evaluation was deferred from 3rd quarter of FY1986 to 3rd quarter of FY1987.

6. 632-0065 Farming Systems Research	5/86	--	--	--	--	PACD: 7/31/86	--	--	--	Final project evaluation undertaken 5/86
7. 699-0424.32 Improved Rural Production through Marketing and Disseminating Energy Initiatives for Africa (EIA Regional sub-project)	4/86	3	4	--	--	PACD: 9/5/86	Proj	12	12	Energy Initiatives for Africa (EIA) energy specialist and one REDSO/ESA energy officer (2 weeks)
8. LS-ID-0004-CRS a/ Outreach Grant	4/85	1	2	--	--	PACD: 12/86	PD&S	10	12	1 Food for Peace Contract Specialist and Regional Food for Peace Officer (2 weeks)

Purpose: To alleviate transportation and storage of commodities constraints to extending the program into the mountain areas where greater nutritional need is documented. Final project evaluation will measure overall project success in meeting project objectives and will examine lessons learned.

a/ LS-ID-004 CRS Outreach Grant: USAID has requested extension to 12/86 for this centrally funded project.

9. 632-0069 Handpower Development and Training
 8/84 4 1/88 -- -- PACD: 9/30/86 PD&S 30 18
 One Participant Training
 Participant Specialist,
 One Personnel Mgt. Spec., and
 One Education Specialist
 (3 weeks)

Project is designed to help the BDL increase its capability and efficiency in planning, designing, managing and implementing national economic and social development programs in prioritized sectors. It provides for temporary operational technicians, long and short-term academic and skills training. This final evaluation has been scheduled to coincide with the revised PACD of 9/87. Documentation for PACD extension is under preparation.

8. FY1988

1. 632-0088 Rural Water and Sanitation
 3/85 -- 4 1/89 4 10 12
 PACD: 9/88 Proj
 REDSO/ESA Rural Sociologist
 Regional Health Officer,
 Regional Economist and
 1 Contract Health Specialist
 (3 weeks)

The project assists the BDL in developing the institutional capacity of the Village Water Supply Section to design, construct and maintain new and existing rural water supply systems which reflect health and sanitation considerations. Water supply systems under construction are primarily: (a) spring protection, with and without storage and gravity distribution and (b) wells, with handpumps. Final evaluation will measure overall project success in meeting project objectives and will examine lessons learned.

2. 638-0421.32 Combatting Childhood Communicable Diseases
 1/85 -- 3 4 4 4 12
 PACD: 3/88 Proj
 CCCD Technical Officer
 Regional Health Officer
 CCCD Regional Epidemiologist
 (2 weeks)

The purpose of this project is to reduce mortality and

morbidity in children less than five years old by expanding and upgrading immunization services and oral rehydration services. Strengthen the ability of the MOH to deliver routine health services to a substantial proportion of the childhood population. Final evaluation will measure overall project success in meeting project objectives and will examine lessons learned.

IV. Category IV:

Generic Evaluations

A. FY1987

None required or planned

B. FY1988

None required or planned

Project List (Project No. and Title)	Last Eval Completed (Mo./Yr.)	Start (Qtr)	To AID/W	Start (Qtr)	To AID/W	Reasons/Issues	Source (\$000)	USAID Person Days	Collateral AID Assistance
--	-------------------------------------	----------------	-------------	----------------	-------------	----------------	-------------------	-------------------------	---------------------------------

V. Routine Project Implementation Evaluations

A. FY1987

1. 632-0218 Agricul- tural Planning	-- 4	2/85	Submittal -- not required	--	--	PACD: 7/31/90 Purpose: To insti- tutionalize a planning system with the capabil- ity to develop effective agricul- tural policies and plans through policy analysis, program and project formula- tion program and project evaluation.	Proj 15	12	One Contract Evaluator & one REDSO/EBA Agric Economist (2 weeks)
--	------	------	------------------------------	----	----	---	---------	----	--

2. 632-0221 Agricul- tural Production & Institutional Support (LAPIS)	-- 4	--	Submittal -- not re- quired	--	--	PACD: 8/31/91 Routine evalua- tion Project is directed at small rural land holders to promote and support agric- ultural enterprises and practices which increase net returns to the farmers and which are more land and labor intensive. The project focuses on agricultural commodities which have sufficient value to support employment in input supply, production, processing and	Proj 20	18	One Ag Economist, One Farm Systems Specialist, & one Ag Planning Specialist (3 weeks)
--	------	----	-----------------------------------	----	----	---	---------	----	--

marketing for the growing number of landless. The project will also strengthen the GOL's institutional structure to mobilize, coordinate and deliver the resources necessary to undertake a production program.

PACD: 5/31/88
 Routine evaluation
 Project assists
 the GOL in con-
 serving and de-
 veloping national
 farm land and range
 land resources by
 designing and imple-
 menting conservation
 measures and land
 management practices,
 and by strengthening
 the institutional
 capability of the
 Ministry of Agricul-
 ture (Range Management
 and Conservation
 Divisions).

6

--

Proj

1 --

--

Submittal
 not re-
 quired

4

3/86

3. 690-0215.32 SADCC
 Technical Support
 Grant -- Soil/
 Water Cons. & Land
 Utilization

54

18

20

Proj

--

--

1

3/85

Water and Sanitation

REDSO/ESA
 Sociologist,
 Regional Health
 Officer, One
 Rural Health
 Specialist
 (3 wks)

18

20

Proj

--

--

Submittal
 not re-
 quired

1

3/85

4. 632-008 Rural
 Water and Sanitation

5. 698-0421.32 Childhood Communicable Diseases	7/85	3	Submittal -- not re- quired	--	Proj	12	CCCD Technical Officer Regional Health Officer and CCCD Regional Epidemiologist (2 weeks)
<p><u>PACD: 5/88</u> Routine evaluation Purpose: Reduce mortality and morbidity in children less than five years old by expanding and upgrading immunization services and oral rehydration services. Strengthen the ability of MOH to deliver routine health services to a substantial proportion of the childhood population.</p>							
6. 612-0222 Basic and Non-Formal Education Systems	--	1	Submittal -- not re- quired	--	Proj	23	One Non-Formal Vocational/Ed Spec., One Primary Curriculum Spec., One Primary Teacher Training Spec., One Admin/Mgt Spec. (4 weeks)
<p><u>PACD: 4/30/90</u> Routine evaluation Purpose: The project strengthens MOE capability to provide (a) more efficient and effective education to primary age children; and (b) income generating skills training for rural poor. Components are: (1) MOE strengthening; (2) Curriculum and Instructional Materials Development; (3) Teacher Training and (4) Rural Skills Training.</p>							

B. FY1988

1. 632-0218 Agricul- tural Planning	8/85	--	--	4	Sub- mittal Routine evalua- tion not re- quired	<u>PACD: 7/31/90</u>	Proj	15	12	One Contract Evalu- ator and one REDSO/ ESA Agric Economist (2 weeks)
2. 632-0221 Agricul- tural Production and Institutional Support	--	--	--	4	Sub- mittal Routine evalua- tion not re- quired	<u>PACD: 8/31/91</u>	Proj	15	18	One Ag Economist, One Farm Systems Specialist, One Range Spec., and one Ag Planning Specialist (3 weeks)
3. 690-0215 SADCC Technical Support Grant -- Soil/ Water Conservation and Land Utilization	3/86	--	--	4	Sub- mittal not re- quired	<u>PACD: 5/31/88</u>	Reg	--	6	One Regional Devel- opment Officer (1 week)
4. 632-0222 Basic and Non-Formal Education Systems	--	--	--	3	Sub- mittal Routine Evalua- tion not re- quired	<u>PACD: 4/30/90</u>	Proj	30	23	One Non-Formal Voca- tional Ed. & Student Work Specialist, One Primary Curri- culum Specialist, One Primary Teacher Trg. Specialist, One Admin/Mgt. Spec. (4 weeks)

PL480
Narrative
FY1988 ANNUAL BUDGET SUBMISSION

Several innovative approaches appear in the Catholic Relief Services three year Operational Plan for the Title II - PL480 program for the FY's 1987-1989. The highlights are:

(1) In future Maternal and Child Health (MCH) Program, a phasing down/phasing out process will be introduced to reflect relocation and restructuring of the program. First, surveys have revealed that in several areas where MCH clinics have been operating, nutritional levels have improved to the point that programs can either be eliminated and/or participant levels can be reduced. Secondly, by phasing down/phasing out such clinics where nutritional levels can be maintained without the need for donor foods, more seriously nutritionally deficient areas, chiefly in the mountains, can then be served by the MCH Program. Accordingly, the program will be retargetted in the period FY1987 to FY1989 to areas of greatest need while the total participant numbers in the program will be reduced from 140,000 (FY1986 level) to 105,000 by FY1988.

(2) In the Food for Work (FFW) Program, the GOL has approved a CRS proposal to proceed with an initial experimental phase of the Watershed Management Project, discussed in last year's ABS. This Project will be a GOL/Ministry of Agriculture led effort to approach both conservation and agricultural production in an integrated arrangement with specific focus on a watershed area. Funds to support the effort, U.S. dollars 150,230 (320,000 Maloti) are being provided from the FY1985 wheat monetization account. This integration and focussing approach should materially improve the productive impact of the FFW program in the area of conservation. Now underway, this approach meets the Mission's long term strategy goal for enhancing the developmental impact of the FFW program, as introduced in the FY1985 CDSS and further developed in subsequent CDSS updates.

The Watershed Management Project approach as reflected in the Operational Plan has been carefully designed and coordinated to link with bilateral activities under the USAID Lesotho Agricultural Production and Institutional Support (LAPIS) Project which will begin implementation in June, 1986. Accordingly, the Mission believes that the long-term strategy goals of increasing the developmental impact of the FFW Program and coordination of PL-480 with bilateral activities is now well on its way to being achieved.

As the CRS Operational Plan reflects a number of innovations, the Mission has included the entirety of the text of the plan as an annex to this ABS. Under separate cover the Mission is pouching to FVA/PPP the GOL approved Watershed Management Project Proposal. If this document is needed to permit review of the Mission's PL480 request, it can be requested from FVA/PPP.

CATHOLIC RELIEF SERVICES / LESOTHO

OPERATIONAL PLAN (OP) FY 1987 - FY 1989

ELEMENTS OF OPERATIONS

Identification

Cooperating Sponsor

**Catholic Relief Services (CRS)
United States Catholic Conference
1011 First Avenue
New York, New York 10022
U.S.A.**

Country of Operation

Kingdom of Lesotho

Date Submitted

May 6, 1986

Name/address of Principal GOL Counterpart Agency
(Under the office of the Private Secretary to the
Military Council)

Food Management Unit (FMU)
P.O. Box 527
MASERU, Lesotho

American Citizen Directly Responsible for Title II Program
Supervision

Michael T. Ridenour
Country Representative
Catholic Relief Services
P.O. Box 159
MASERU, Lesotho

Time Devoted to Title II - Assisted Program Activities

Full time on Title II - assisted CRS Food and Nutrition Program and CRS Rural Works Program activities along with other socio-economic development projects which relate directly to these Title II - assisted program activities.

List of Supervisory Staff by Function

Country Representative	1 American
Projects Manager	1 American
Outreach Manager/Rural Works Consultant	1 Danish
Food and Nutrition Dept. Manager	1 Mosotho
Head Accountant	1 Mosotho
Shipping Manager	1 Mosotho
Projects Office Manager	1 Mosotho
Rural Works Program Supervisor	1 Mosotho
Food and Nutrition Dept. Asst. Manager	1 Mosotho
Social Workers	1 Danish + 1 Mosotho
Food and Nutrition Supervisors	3 Basotho

I. Introduction

This operational plan describes the program and details the PL.480 Title II operations of CRS in Lesotho for US Fiscal Years 1987 - 1989. There are two major programmatic

components of this Title II program: the Maternal and Child Health Program and the Food for Work Program. At present, the CRS program in Lesotho is in a transition phase; both the MCH and FFW components of the program have recently been evaluated, and changes in each component are planned or are being implemented.

The MCH program for FY 87 has been reduced (both in terms of tonnage and recipients) from 1986 levels, and further reductions are planned for FY 88 and are possible in FY 89. In addition, the program is attempting to retarget geographically to more mountainous areas, where infantile malnutrition rates are the highest in the country.

The FFW component of the program is currently under revision to increase the developmental impact of the program. This will be accomplished by refocussing progressively increased amounts of FFW and complementary resources to watershed management and other development activities.

This plan describes the planned FY 87 MCH program and highlights anticipated changes in FY's 88 and 89. Plans for the FFW program, with the exception of the Pilot Watershed Management Project, are also included. This Plan will be supplemented by a description of the Watershed Project activities to take place during FY 87, which addendum will be submitted to USAID/Lesotho by May 30, 1986. The description of the FFW program for FY's 88 and 89 is contained in the Rural Works section of this document.

II. The CRS Food and Nutrition Program (Maternal Child Health)

- Estimated Requirement FY 1987 7,776 M.T.
- Estimated US \$ Value of FY 1987
- Tonnage Requirement: \$ 2,189.721
- Estimated Number of Recipients in FY 1987 129,600
(This is a reduction of 10,400 participants over FY '86)

A. Program Goals: To reduce the incidence of chronic child malnutrition in Lesotho. Progress toward attainment of this goal will be measured by analysis of the Growth Surveillance System (GSS) data collected at each of the participating centers, and by progress achieved toward meeting the specific objectives detailed below.

B. Statement of the Problem: Chronic infantile malnutrition is a country-wide problem in Lesotho, and is particularly prevalent in the mountain areas. Its causes are many and

varied. In some areas, malnutrition is due to insufficient local food production, drought, landlessness, or poverty. In other cases, disease, lack of adequate health care, negligence on the part of the mothers, and/or low birth weight contribute directly to the infantile malnutrition problem. Inequitable distribution of food within the family often results in less than optimum consumption by the most vulnerable family members (children aged 6 months to three years, and pregnant and lactating mothers) when food is in short supply. The mountain areas, are more isolated and less developed than the foothills or lowlands and it is widely accepted that malnutrition rates are higher than in other areas of the country.

C. Specific Objectives: The MCH component of the CRS program is designed to contribute to an overall reduction in the malnutrition rate by means of an integrated intervention which includes provision of supplementary food where appropriate, sponsoring health and nutrition interventions, and targeted economic and developmental assistance. The food component of the MCH Program, while an integral part of the assistance package CRS will deliver to the target populations, will decline from FY 1986 levels (140,000 recipients), to 129,600 recipients in FY 87 and to 105,000 in FY 88. Further reductions are possible in FY 89 following an impact evaluation of the food cuts through FY 88. In addition, food assistance will be re-programmed and delivered to more mountainous areas where the malnutrition problems are more acute. The specific objectives of the MCH program for FY 87 are:

- Education of mothers in nutrition and child health care;
- Increasing family incomes in the target areas and population groups through the promotion of income generating activities;
- Provision, in areas of greatest need, of supplementary foods to insure an adequate diet for children under five years of age (particularly children aged 6 months to 3 years) and pregnant or lactating women participating in the program;
- Improving the capacity of selected rural clinics to operate self-sustaining MCH programs.

Implied in the above listing of specific objectives are several underlying considerations. In 1985, CRS conducted an evaluation of its MCH program in Lesotho. One of the conclusions of that evaluation was that the continued provision of food supplements in many of the lowland and foothill clinics was no longer necessary due to reduced rates of malnutrition in those areas. As a result, the decision was made to (a) phase down Title II food assistance to selected clinics in these areas by reformulating enrollment and graduation criteria, and, (b) consider additional retargeting, geographically of increased amounts of Title II assistance to the mountainous areas. This process was begun during the course of FY 86, and will continue through FY 88.

In FY 87 CRS/Lesotho plans to expand its mountain operations with a significant increase in the numbers of recipients assisted with Title II food and the other program components. Expansions in mountain areas will not, however, match reductions of operations in other areas as the population is not as dense as in the lower regions of the country. This will then result in an overall program reduction.

D. Description of the Target Population: In the mountain areas, children under the age of five and their mothers, as identified by the participating center, are eligible to participate in the Food and Nutrition program. In the foothills and lowlands, participation criteria are being made more restrictive. New enrollment in the program (eligibility for food assistance) will be limited to children aged 0--36 months, with priority given to those who are below the 80 percent standard weight for age. Graduation from the program will take place as follows: All children in selected clinic areas who are above the 80 percent standard weight for age and over 3 years old will no longer receive rations, although their mothers will be encouraged to bring their children to the MCH centers for the GSS, immunization and education programs. These new eligibility criteria are being implemented in several established centers in the north-west of Lesotho at present; this process will continue in the remaining lowlands and foothills areas of the country during FY 87 and FY 88. The reduction in the numbers of approved recipients for FY 87 reflects this more restricted participation criteria.

E. Description of the Program Intervention:

- (1) Rations: (eligible children and mothers)
- | | |
|---------------|------------|
| Bulgur wheat | 2Kgs/month |
| NFDM | 2Kgs/month |
| Vegetable oil | 1Kg/month. |

These ration levels are sufficient to provide enough supplementary food to the family to prevent degradation of the nutritional status of the target group. Rations are distributed to eligible recipients on a monthly basis. In the event that an undernourished child fails to respond to the food assistance (take home rations) the mother is requested to bring the child to the MCH center on a weekly or bi-weekly basis to ensure that the concerned child receives frequent attention by health professionals.

2. Complementary Inputs and Components: Central to the assistance package provided to the recipients through the MCH centers are nutrition education and growth surveillance. The GSS system is operational at all CRS assisted MCH centers. This monitoring system is vital for the purposes of monitoring the children's progress, i.e. weight gain (or loss). In addition, the data, when analyzed in aggregate is extremely useful to CRS in monitoring the effectiveness of the program and determining areas of high need. The GSS charts and scales, necessary for GSS data analysis, have been provided to each of the participating clinics by Catholic Relief Services. The staff of the CRS Food and Nutrition Program (FNP) works closely with each of the centers to improve the quality of this program component. These services are funded directly from recipient contributions.

Increasingly, emphasis is being placed on income generating activities. The oil seed project is currently operational in five clinic areas and the fish, duck and horticulture project is operational at four clinics. Requests for additional activities are currently being considered for other MCH centers but due to staff limitations, CRS will be able to support only a limited number.

3. Intervention Strategy: The food package in certain centers, and the developmental and training activities programmed for others, are expected to maintain clinic attendance at levels high enough to achieve the intended

program impact. Participants will have access to and be exposed to medical attention, immunizations, social services, and organized income-generating activities at selected clinics.

The food assistance package delivered to eligible recipients will increase the participating families' available food supply on a regular basis to ensure that sufficient supplementary food is available to the target population. In addition, the economic assistance represented by the value of the supplementary food provided increases household disposable income to enable those families to purchase additional food inputs or other family requirements.

F. Linkages with Other Development Activities

During the past 3 years CRS/Lesotho has been implementing an oilseed extraction project at 5 clinics. The objective of this pilot project is to provide participants an opportunity for generating additional family income through the production and sale of oil extracted from home-grown sunflowers. It has also provided mothers an alternative weaning food in the form of residue remaining after oil extraction. It appears that this project has tremendous potential.

One major obstacle has been the marketing of the oil in areas where oil is provided freely in the MCH Program. In response, CRS/Lesotho is phasing down the oil ration in 3 of these areas where the oilseed project is operational and it has been determined that withdrawal of the oil ration would have no negative effect on the well being of the children served.

Following evaluation of this project in FY '88, CRS will consider expansion of this activity in other areas of Lesotho. This proposed evaluation has already received funding support from the Ford Foundation.

CRS/Lesotho is also active in the promotion of the Fish/Duck/Horticulture Project, the aim of which, is to provide income generation opportunities to clinic areas through the production of nutritious foods at 4 selected clinics. CRS is working closely with the Fisheries Division of the Ministry of Agriculture in the promotion of this activity.

Finally, CRS/Lesotho will be working more closely with the Ministry of Health during FY 87 in order to determine other areas of possible collaboration during FY '88 and FY '89. It

is expected that, by that time, MCH food program will be at a level where CRS is only serving those children at the greatest risk, i.e. children who are below 80% standard weight for age. CRS plans to become more active in other areas of preventive health care by FY '90.

G. Monitoring and Evaluation

One of the major strengths of the CRS/Lesotho Food and Nutrition Program continues to be its ability to provide constant monitoring and evaluation of its supplemental pre-school feeding program. The Growth Surveillance System (GSS) has long been the "industry" standard in monitoring the nutritional state of the underfives. In an effort to ensure that it is still a useful tool, CRS/Lesotho is cooperating in a 9 month study conducted by UNICEF and Cornell University to determine its appropriateness in Lesotho. Preliminary results of this study appear to indicate the continued soundness of that system.

The tremendous amount of data generated by the GSS is also being made more valuable through the recent acquisition of an IBM computer provided by the UNICEF/Lesotho Programme office. The computer will be used to store and analyze data to more closely monitor children's nutritional progress through data processing techniques. Not only will more reliable data be made available to concerned offices in the Ministry of Health but also CRS programmatic decision making will be made easier. CRS staff are currently undergoing training and should be computer literate by December, 1986.

To ensure a constant supply of food to the participating health centers, CRS/Lesotho's End-Use Checker (EUC) staff continue to monitor food inventories at all centers. Shortages are immediately reported to headquarter's staff who arrange for resupply with the GOL's Food Management Unit. EUC staff also monitor the upkeep of clinic storage facilities to help avoid food loss due to spoilage, theft and rodents. In addition the EUC staff have all been trained in weighing scale maintenance which contributes to the accuracy of the nutritional data received from the participating health centers.

Introduction of the Clinic Commodity Management Officer (CCMO) in 1984 under the USAID supported Outreach Grant has evolved to a staff of ten, nine of which are permanently assigned to field operations. CCMO staff are responsible for the monitoring of food distribution at the clinic level.

They also maintain a close watch on recipient contributions. Food losses have been significantly reduced since the inception of this program and financial accountability has also measurably improved. So successful is the CCMO concept that many additional CCMOs have been hired by other clinics which have adequate financial resources. It is hoped that all clinics will have a CCMO on staff by 1990. With field losses now at less than .5% and the improvement of clinics' financial positions, it is no wonder that this program has proved so popular.

Catholic Relief Services conducted a major internal review of the impact of the F & N Program in 1984-1985. Results of this evaluation are discussed in section H: Multi-Year Strategy. Future evaluations are planned following the phased reduction of recipients which are programmed through FY'88.

H. Multi Year Strategy (FY 1987 - FY 1989) Phase-Over/Phase-Out

As stated in the last section, CRS, over the past three years, has been evaluating its F & N Program. It has tried to examine how well it responds to today's needs of the rural Basotho population. Evidence of the Basotho women's high literacy rates and high levels of health and nutritional knowledge, of the low rates of malnutrition among preschoolaged children in many areas served by the CRS Program, and the evidence of the availability of cash for purchasing food, have led CRS to the conclusion that food aid is no longer an appropriate form of development assistance for many rural households. In the long term, food aid does not always help families solve the problems they face in trying to improve their standards of living. In response to this evidence, CRS is phasing-down food aid to many health centers.

In FY '86 recipient levels were reduced by 4,000. For FY '87 an additional 10,400 recipients will be reduced from the program. In FY '88, 24,600 more will be reduced, bringing the recipient level down to a level of 105,000 mothers and children.

In FY 86 and FY 87, children in selected lowland and foothill clinics will be graduated using the following criteria:

- (a) Mothers are advised that after a specific date, that all children who are above 80 percent of standard weight for age and over the age of

three years will graduate from the food component of the program. These mothers will be encouraged to continue to bring their children to the MCH center for the education and immunization program.

- (b) Enrollment into the program will be open to children aged 0 - 36 months, giving priority to the underweights and observing the new approved levels.

In FY 1986, phase down of food was accompanied by preparation of the mothers for participation in an alternative development activity. Examples of activities include poultry raising, knitting and sewing, dairy cow raising among many others. But this year, FY 1987, this type of project activity is no longer possible because of the amount of project work remaining in the original phase-down clinic areas. Perhaps by FY '88 adequate information will be available from our activities in FY '86 and '87 to determine the feasibility of expanding this kind of development project assistance in FY '89 to families whose children have graduated from the food program.

For planning purposes CRS/Lesotho will maintain the MCH program at 105,000 recipients in FY '89 while the health and nutritional impact of food cuts made in FY '86 through '88 are evaluated. In summation, CRS/Lesotho MCH Program Levels planned for this multi-year period will be:

	<u>Recipients</u>	<u>Tonnage</u>
FY 1987	129,600	7,776 M.T.
FY 1988	105,000	6,300 M.T.
FY 1989	105,000	6,300 M.T.

IV. IMPLEMENTATION

Financing

The GOL contributes significantly, both directly and indirectly, towards the successful implementation of CRS/Lesotho's PL.480 Title II programs. These resource inputs are estimated below. Private sector inputs of a similar nature have also been identified. The backbone, however, of the CRS/Lesotho PL.480 Title II operating budget covering recurrent expenditures is formed from CRS Food and Nutrition Program "Family Contributions". AID Regulation II, Section 211.5(i) allows CRS/Lesotho to encourage recipients

in certain program categories to contribute to operational program costs "on the basis of ability to pay". Funds from these "Family Contributions" are applied to administrative costs directly related to the management of the PL.480 Title II Program.

In order to provide a better understanding of how these funds are used the following breakdown is useful:

Family Contributions which are collected at clinic level (Estimated)	\$ <u>603,000</u>
Retained by participating clinic for clinic use.	\$361,800
Transport of Commodities from Regional FMU Warehouses to clinic (Administered by CRS/Lesotho)	\$ 180,900
CRS/Lesotho overhead expenses relating to management of Title II Program	\$ 60,300

Estimated financial, human resources, commodity and in-kind contributions towards the CRS/Lesotho PL.480 Title II program effort. (Financial details are for FY '87)

This list includes inputs for both the Food and Nutrition Program and the Rural Works Program:

Catholic Relief Services - USCC personnel/admin	US\$ 77,413
Family Contributions from the families enrolled in the CRS Food and Nutrition Program	603,000
PL.480 Title II agricultural commodities 14,328MT	3,619,513
AID/W, RFFPO/L, USAID/Lesotho personnel/admin	100,000
Government of Lesotho's	
a) direct support grant	17,500
b) inland transport	148,120
c) personnel/facilities/admin	482,715
Roman Catholic Church transport/personnel/facilities/administrative	365,000
Lesotho Red Cross personnel/facilities/admin	141,000

Lesotho Evangelical Church transp./personnel/ facilities/administrative	67,800
Anglican Church trans/personnel/facilities/admin	43,000
Seventh Day Adventists personnel/facilities/admin	24,300
Assemblies of God personnel/facilities/admin	19,000
Community-Owned Clinics personnel/facilities/admin	71,000
Lesotho Family Planning Association Personnel/ facilities/administrative	13,790
Private Health Association of Lesotho (PHAL) personnel/admin	<u>23,600</u>
Total	<u>\$5,816,751</u> =====

Program Publicity

The current GOL/CRS/Lesotho Country Program Agreement dated 20 June 1976 and most recently amended 29 Jul 1981, states that the GOL agrees to "assist in identifying the recipients that CRS-donated commodities are: 'gifts of the people of the United States of America to the people of Lesotho through CRS'". Recipients of CRS/Lesotho PL.480 Title II commodities are informed of the source of these supplies verbally (by cooperating clinics' staff, FMU tally clerks, and/or Food-For-Work foremen) and visually from the clearly-marked PL.480 Title II containers and messages. Notification of particular program requirements is made through the use of third party agreements with all cooperating distributors in the public and/or private sector. Information on the preparation of these PL.480 Title II commodities and/or their locally available equivalents will continue through the close interaction of the CRS Food and Nutrition Program Supervisors with cooperating clinic staff and the program's participants/beneficiaries/recipients. The Growth Surveillance System (GSS) forms the basis for this related nutrition education and the GSS will also serve to strengthen the family's demonstrated commitment towards better child feeding practices. Since the CRS Food and Nutrition program and Rural Works Program represent the cooperative efforts of the United States, the Government of Lesotho and CRS/Lesotho, it is appropriate that publicity be given by all organizations involved.

Control and Receipting - Records Procedures and Audits

1. The revised GOL/CRS Country Program Agreement, in which the GOL has agreed to specific reinforcement of its third party claims responsibility/financial liability, demonstrates GOL commitment to improved commodity management and control of PL.480 Title II commodities. Further indication of the GOL's visible commitment to improved PL.480 Title II commodity management has been forthcoming in FMU's Circular No.6 of 1982 concerning proper accounting of PL.480 Title II commodities, FMU compound security and specific disciplinary measures which may be implemented if these regulations are not observed. It is also significant to note the GOL's cooperation, not only within the FMU, but also evidenced by the Central Planning and Development Office (CPDO) and the Private Secretary of the Military Council concerning the USAID/Lesotho Mission - sponsored Bryson Consultancy whose recommendations on the internal FMU Management system and administrative practices were accepted during FY 1983. The GOL's financial responsibility was perhaps best demonstrated in FY '86 by FMU payment of all outstanding food loss claims amounting to more than \$100,000.
2. The system of quarterly physical inventory/book reconciliation field trips has been long established; it is a joint activity involving representatives from WFP/Lesotho, CRS/Lesotho, FMU and Food Accounts Section. These joint inventory/reconciliation activities are conducted at each FMU warehouse just prior to CRS/Lesotho Call Forward due dates. A new bookkeeping system has been designed to eliminate the accounting problems created by shortages/surpluses.
3. CRS/Lesotho maintains a system designed to reflect all transactions pertaining to the receipt, storage and distribution of PL.480 Title II commodities. This system of accountability includes an Arrivals Ledger, Packing List/Ships Files DMCR Ledgers, a Claims Registry, monthly FMU Commodity (CSRs/RSRs) monthly clinic report covering commodity/recipient/finances, the GSS data feedback the clinic evaluation checklist, and the departmental (CRS Food and Nutrition Program department, CRS Rural Works Program department and the CRS Shipping department) end-use check reports. The Clinic Commodity Management

Office department was introduced during FY '85 and has resulted in much improved accountability at the end use level.

4. USAID/Lesotho has recently funded a consultancy to explore feasibility of establishing a computer network between CRS, FMU and WFP to further improve distribution management at a centralized level.

Port Facilities - Practices

1. All CRS/Lesotho PL.480 Title II commodities are shipped through the ports of Durban and East London, Republic of South Africa. Both ports are modern and well-equipped to handle all incoming cargo. Periodic port inspection visits are made by CRS/Lesotho personnel to insure that off-loading, tallying, surveying storage and forwarding of PL.480 Title II commodities are efficiently and effectively conducted.
2. The Republic of South Africa permits the CRS-appointed clearing and forwarding agents, Mitchell Cotts Seafreight (both East London and Durban), to contract cargo surveys as required. These surveys are conducted by a member of Lloyd's Agents staff for each PL.480 Title II shipment, and are forwarded to our office in approximately 30-40 days after actual time of arrival of the vessel.
3. Duty Free entry has been guaranteed by agreement between the GOL and Catholic Relief Services for all Title II, PL.480 cargoes.

Transport/Distribution System

After arrival of all commodities at the ports of Durban and East London in the Republic of South Africa arrangements are made to rail the food to frontier entry points in Lesotho. Private cartage hauliers are contracted to move the food from railheads to the regional FMU warehouses inside Lesotho. These warehouse are adequate in terms of quality and capacity to store all projected Title II inputs. This system continues to be improved annually and is demonstrated by the minimal losses incurred during this phase of distribution.

All food earmarked for the MCH category is arranged to be collected by individual clinics and associated transport costs are absorbed through Family Contributions. It has proven to be an efficient and effective means of ensuring food is delivered on a timely basis.

In the case of Food-For-Work, transport of commodities is handled by either the Ministry of Cooperatives and Rural Development or the Ministry of Agriculture to their respective project areas. This system is known to experience transport delays due to the limited transport resources of the GOL. The government is aware of the problem and is attempting to improve the system, possibly by utilizing the services of private cartage transporters.

As is discussed in the FFW section of this plan, 20% of all available CRS FFW resources in Lesotho are administered directly by CRS/Lesotho. The assurance of adequate transportation of commodities by a potential project holder is a prerequisite for project approval by CRS. No problems or transport delays have been experienced in this segment of the program.

III. The CRS/Lesotho Rural Works Program (Food-For-Work)

- Estimated Requirement FY 1987	6,552 M.T.
- Estimated US\$ Value of FY 1987	\$1,429,792
- Estimated Number of Recipients	57,000

A. Program Goals

The basic goals of the FFW program in Lesotho are to stem the effects of severe soil erosion, and to contribute to the development of rural infrastructure, particularly the road system. Secondary goals are to increase the access of the rural poor to supplementary food during periods of limited agricultural activity, and thereby to help to ensure a constant adequate food supply to the families with members participating in the program. During the course of FY 87 through FY 89 CRS will continue its traditional FFW activities and simultaneously will continue to work with the GOL's technical ministries to develop a comprehensive integrated approach, i.e. the Watershed Management Project for FFW activities in Lesotho.

B. Statement of the Problem

Soil erosion has been long identified as one of the most serious problems facing all areas of the country. The implications of this continual soil loss for the future of agriculture in Lesotho are of critical importance. The mountain areas of Lesotho are less developed than the foothills and lowlands, and are comparatively isolated as there are few access roads in these areas. Underdevelopment, isolation, and generalized poverty in the mountain areas have also contributed to the serious malnutrition problem: the incidence of malnutrition in these areas is thought to be the highest in Lesotho.

FFW activities in the past, especially in land conservation, have not been effective, i.e. they have not had an appreciable impact on checking soil erosion. Most often, these activities have been limited to filling dongas (gullies) with stones. For this reason, CRS is now actively collaborating with the GOL in the development of an integrated Watershed Management Project. Completion of the design phase is expected during FY 86, and the implementation phase of a pilot Watershed Management project is one of the specific objectives for the program as a whole during FY 87 - FY 89.

The agricultural land base of Lesotho is estimated to be roughly 30,000 square kilometres, yet only 13% of its total area is suitable for crop cultivation and only 0.4% of this arable land is considered by the Ministry of Agriculture to be prime land. Land tenure traditions further divide this already limited land base into many small holdings, and with an estimated 2.3% population growth rate, an ever increasing demand will be placed on the agricultural sector's limited land base resources. Weather risk, including severe soil erosion, the high cost of extension inputs and low capital investment also result in reduced food availability. These factors indicate not only the practicability but the necessity of such a program.

C. Specific Objectives

The CRS sponsored FFW activities at present complement efforts by the Ministry of Agriculture, the Ministry of Cooperatives and Rural Development, and those of other donors, particularly WFP. Specific objectives of the FFW program are:

- implementation of a pilot Watershed Management Project.
- construction of rural roads;
- construction of community soil conservation works;
- provision of supplementary food to the participating workers and their families, during periods of limited agricultural activity;

D. Description of the Target Population

In FY 87, 11,400 workers will participate in this program. Rations are distributed to each worker, plus family members, for a total target population of 57,000. Program participants are primarily (85%) women, generally from poor or landless households. In many cases, the participating women are single heads of households with extremely limited resources. In general, workers participate in the FFW program as a last resort, when there is no paid employment available.

The CRS/Lesotho FFW Program is directed to those persons who are in a low income status or who are otherwise economically

needy and is designed to provide needed rural infrastructure which will improve the socio-economic life of rural communities.

E. Description of Program Interventions

(1) Rations: (Workers and their dependents)

Cornmeal	4.54kgs/work period
All Purpose Flour	4.54kgs/work period
Vegetable Oil	.5kgs/work period

N.B. A work period is defined as 15 days at 5 hours per day. This was instituted so as to allow time for each worker to work on his/her land/garden after the communal/FFW activities to further supplement family incomes.

It is also interesting to note that these rations are equivalent to the current cash wage (estimated at M50 per work period) of rural workers which acts as an incentive to participate in this program.

Over the past five years Lesotho has been plagued by recurrent drought resulting in low crop yields. If FFW was not available Lesotho would have to import similar commodities from other sources which would contribute to increased poverty due to reallocation of already limited financial resources. The Watershed Management Project is viewed as a logical move which will help to limit the effects of future drought conditions through improved soil conservation measures and increased emphasis on food production. FFW will act as an incentive to reach these objectives.

(2) Complementary Inputs and Components

It has been recognized that traditional uses of FFW alone has limited developmental impact. This is why CRS/Lesotho earmarks 80% of all available FFW resources directly to the Ministry of Cooperatives and Rural Development and the Ministry of Agriculture. These ministries contribute significantly in providing skilled foremen and supervisory staff to all projects. We have found however, that the GOL is not always able to supply additional required inputs such as hand tools and other items which would further enhance productivity and improve the chances for successful project implementation. This has been especially critical in soil conservation activities where the

lack of hand tools and other agricultural inputs such as seed, fertilizer, tree seedlings, etc have simply not been available.

CRS/Lesotho and the GOL are currently embarking on the Watershed Management Project which will help to address this issue of a lack of complementary inputs. USAID/Lesotho has provided approximately \$165,000 from monetization funds to help augment soil conservation projects implemented by the GOL. The Ministry of Agriculture, the responsible Ministry for all soil conservation activities in this country, is currently finalizing plans for the Pilot Watershed project which is slated to begin actual implementation in June, 1986. Their technical proposal will be submitted to USAID through CRS/Lesotho by May 30, 1986 as was indicated in the Introduction section of this OP.

Additional funding will be needed through FY 1988 and FY 1989 and CRS/Lesotho is requesting consideration of USAID/Washington at this time in providing 4,000 M.T. of wheat to be monetized during FY 1988 to supplement initial funding. A detailed budget for the use of the funds generated will be submitted with an updated FY 1988 OP in April, 1987 based on experience gained during the initial phase of the project.

20% of FFW resources are administered directly by CRS/Lesotho in the form of its "Private Projects" Program. This highly successful program (2,280 workers) is intended to reach those projects, outside the GOL, in the rural areas. Schools, health centers, and airstrip construction are among the many projects which this section of the program supports. CRS/Lesotho's Rural Works department ensures that the project holder has all necessary additional inputs including transportation prior to project approval.

(3) Intervention Strategy

CRS/Lesotho intends to continue its support to the FFW Roads Program implemented by the Ministry of Coops and Rural Development. 2,400 workers in collaboration with the WFP's Roads FFW Workers have constructed over 2,500 kilometers of rural roads during the last 15 years or approximately 40% of this country's secondary rural road network. The International Labor Organization (ILO) and the GOL have recently established plans for further expansion of this network for the next 5 years. The entire FFW Program figures prominently in these plans.

The ILO, in concert with the GOL, completed an inventory of all road projects in 1984-1985 which included project prioritization. Introduction of work norms and construction standards has also contributed to enhanced worker productivity and improved manpower budgeting. Further refinements of work norms will be of paramount importance through FY 1989.

Continued involvement in the Soil Conservation Program (6,720 workers) will be contingent on the successful implementation of the Watershed Management Project as it has been determined, following a recent evaluation of the soil conservation activities conducted by the Ministry of Agriculture, that this program is not completely achieving its objectives. It is now planned that another review of this program will be conducted in FY 1988 and if substantial progress is not noted at that time this component will be phased down. Further discussions of this strategy is detailed in Section H, entitled "Multi Year Strategy".

G. Monitoring and Evaluation

As with the MCH Program, CRS/Lesotho has the capacity to provide ongoing monitoring of all 3 components of the FFW Program. The Rural Works Department works closely with the GOL and private project holders to ensure all projects are carrying out intended objectives. This is accomplished by frequent spot field visits and analysis of project outcomes. In addition, the Rural Works Department monitors movement of all commodities from the regional FFW warehouses to the end-user, the worker. This system helps to ensure that food reaches the participants regularly and identifies areas where improvements need to be made.

The CRS/Lesotho Shipping Department also works closely with Rural Works in the food allocation process. This department directs food deliveries to the nearest warehouses to minimize transport costs incurred by the project holder be it government or private group. This regional distribution system will be further refined due to the acceptance by the GOL of a U.N. technical assistance project which will provide distribution specialists to the Food Management Unit during FY '87 and FY '88.

As mentioned earlier, the Ministry of Agriculture recently concluded an internal review of the MOA's Soil Conservation activities. The results clearly indicate deficiencies in this FFW area. A WFP evaluation team is currently assessing the WFP's Soil Conservation program and again it is being shown that the GOL's Soil Conservation program is not

achieving the desired level of impact. The CRS supported Watershed Management concept is intended to radically improve the program's developmental impact. Following a proposed evaluation in late FY '88 or early FY '89 a determination will be made to reduce or withdraw FFW support for this program.

H. Multi Year Strategy

The GOL, under the new leadership of the Military Council, has reaffirmed its support for the FFW Program in a recent policy statement. They have also recognized the importance of strengthening the developmental impact of this valuable resource. To this end, the government has agreed to the appropriateness of shifting the strategy of the Soil Conservation program to the Watershed Management concept.

The Watershed Management program will attempt to progressively concentrate soil conservation activities to a number of areas throughout the entire country. These areas will be chosen on the basis of their priority in national conservation and agricultural production plans. The objectives were highlighted in the FY '86 OP and remain valid for this 3 year period:

- 1) Protect and develop the soil, water and vegetation resources of the concerned watershed*
- 2) manage and utilize these resources so as to increase the agriculture production and incomes of families living in the watershed

* A watershed is defined as that area of land draining into a river, river system or other body of water.

During FY '86 the Watershed Management concept was presented to the GOL for their review and was initially accepted in November, 1985. Political events in Lesotho during December, 1985 and January, 1986 considerably slowed progress in the design phase. However, after the change in governments in late January the project was back on track.

In February, 1986 a Project Coordinating and Management Committee comprising the GOL and donors was established to oversee the development of this new thrust. A site was selected in March which will be developed as a model for other Watershed Projects in future years. A technical design

sub-committee comprised of technical staff from the MOA is now busy finalizing the design of the pilot project which should be ready for submission to USAID/Washington by the end of May, 1986. Activities will begin in June, 1986 with monetization resources now available which should be adequate through FY '87.

By mid FY '87 implementation progress will be evaluated and if deemed successful, additional funds will be required. It is anticipated that 4,000 M.T. of monetized wheat will be required for continuation and expansion of this program through FY '89. A detailed plan and accompanying budget will be submitted at the time of this request.

It is imperative that AID/Washington note that Watershed Management is the main thrust of the GOL, Ministry of Agriculture's soon to be published Fourth-5 year Development Plan (1986-1990). The GOL views this program as critical to arresting the damage caused by serious soil erosion. It is also CRS' understanding that this pilot project directly complements USAID/Lesotho's soon to be launched LAPIS Project (Lesotho Agricultural Production and Institutional Support Project).

The Roads component, as stated earlier, will continue with only minor refinements in improving worker productivity through upgraded work norms. FFW will continue to be critical to the GOL's next 5 year phase of its National Roads Network Plan.

No changes are currently envisaged in the CRS Private FFW Projects as this program clearly is an important complement to many development organizations/projects throughout Lesotho.

Food Requirements for this Plan which will be subject to amendment in the FY '88 OP update:

<u>Recipients</u>	<u>Tonnage</u>
FY 1987 57,000	6,552 M.T.
FY 1988 57,000	6,552 M.T.
FY 1989 57,000	6,552 M.T.

IV. IMPLEMENTATION/FINANCING

(Please refer to Section IV of the MCH Program)

V. LOGISTICS PLAN

(Please refer to Section V of the MCH Program)

FY 1988 ANNUAL BUDGET SUBMISSION

TABLE XIII

FL 480 TITLE II

I. Country LESOTHO

Sponsor's Name CATHOLIC RELIEF SERVICES (CRS)

A. Maternal and Child HealthTotal Recipients 105,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
<u>105,000</u>	<u>BULGUR WHEAT</u>	<u>2,520</u>	<u>473.8</u>
<u>105,000</u>	<u>NON FAT DRIED MILK</u>	<u>2,520</u>	<u>277.2</u>
<u>105,000</u>	<u>SOYBEAN OIL</u>	<u>1,260</u>	<u>1,023.1</u>
<u>Total MCH</u>		<u>6,300</u>	<u>1,774.1 *</u>

B. School FeedingTotal Recipients _____

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

C. Other Child FeedingTotal Recipients _____

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

D. Food for WorkTotal Recipients 57,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
<u>57,000</u>	<u>ALL PURPOSE FLOUR</u>	<u>3105</u>	<u>580.6</u>
<u>57,000</u>	<u>CORNMEAL</u>	<u>3105</u>	<u>571.3</u>
<u>57,000</u>	<u>SOYBEAN SALAD OIL</u>	<u>342</u>	<u>277.7</u>
<u>Total Food for Work</u>		<u>6552</u>	<u>1,429.6 *</u>

E. Other (Specify)Total Recipients _____

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

II. Sponsor's Name _____

* Commodity value based USDA price estimate as of December 13, 1985

TITLE II, PL 480 COMMODITIES
ANNUAL ESTIMATE OF REQUIREMENTS - FY 1987

OMB Approval No. 0412-0003
Expiration Date 07/31/86

1. COUNTRY

LESOTHO

2. SPECIAL REQUIREMENTS FOR
CATHOLIC RELIEF SERVICES

2. RECIPIENT CATEGORIES	3a. NUMBER OF MONTHS OPERATING PER YEAR		3b. NUMBER OF MONTHS PER YEAR		4. NUMBER OF RECIPIENTS		5. BOULOUR WHEAT		6. NON FAT DRIED MILK		7. BOYBEAN OIL		8. CORNMEAL	
	4. NUMBER OF RECIPIENTS	5. RATE (KGS)	4. NUMBER OF RECIPIENTS	5. RATE (KGS)	4. NUMBER OF RECIPIENTS	5. RATE (KGS)	4. NUMBER OF RECIPIENTS	5. RATE (KGS)	4. NUMBER OF RECIPIENTS	5. RATE (KGS)	4. NUMBER OF RECIPIENTS	5. RATE (KGS)	4. NUMBER OF RECIPIENTS	5. RATE (KGS)
Maternal Child Health-Mother	61900	2	12	1485	61900	1	743							
Maternal Child Health-Child	67700	2	12	1625	67700	1	812							
Preschool Child Feeding														
Other Child Feeding														
School Feeding														
Food for Non-Dependents	11400	0.5	12	68	11400	0.5	68							621
Food for Non-Dependents	45600	0.5	12	274	45600	0.5	274							2484
Other														
7. TOTAL RECIPIENTS	186600				129600					129600				
8. TOTAL REQUIREMENTS FOR FY 1987	14327			3110						3110			1897	3105

ADJUSTED REQUIREMENTS FOR SHIPMENT (METRIC TONS)

9. Quantity on Hand September 30, 1985	2113	903	454	469
10. Quantity Received (October 1 through February 28, 1986)	509	1145	869	1559
10a. From Prior Year Approval	384	324	541	588
10b. From Current Year Approval	125	772	328	771
11. Quantity on Hand February 28, 1986	1361	565	504	75
12. Quantity Due or Rec'd for Current FY Program After Feb. 1986	3086	2054	755	138
13. Total Line 11 Plus Line 12	2447	2639	1259	2093
14. Projected Distribution March 1 through September 30, 1986	1960	1960	1159	1623
15. Estimated Inventory, September 30, 1986	487	659	100	470
16. Disposal/Quarantine Reserve	156	156	95	152
17. Adjusted Total Requirements FY 1987	2779	2607	1892	2790

CLEARANCES

18. Submitted by (Field Representative)	MICHAEL T. KIDENOUR	TITLE	COUNTRY REPRESENTATIVE	DATE	20TH APRIL, 1986
19. Reviewed and Recommended by US AID or Embassy	USAID Lesotho				7 May 1986
20. Cooperating Sponsor Approval					
21. IEC/AID Washington Approval					

TITLE II, PL 480 COMMODITIES
ANNUAL ESTIMATE OF REQUIREMENTS - FY 19 87

OMB Approval No. 0412-0003
Expiration Date 07/31/86

1. COUNTRY
LESOTHO
2. COOPERATING SPONSOR
CATHOLIC RELIEF SERVICES

3. RECIPIENT CATEGORIES	6. PROPOSED DISTRIBUTION										
	4. NUMBER OF RECIPIENTS PER MO.	5. NUMBER MONTHS OPERATING	5a. NUMBER DISTRI BUTED PER YEAR	6. ALL PURPOSE FLOUR		6. NUMBER RECIPIENTS		6. RATE KGS		6. (000) KILOGRAMS	
Maternal Child Health-Mother	30	12	12	11400	4.54	521	45600	4.54	2484		
Maternal Child Health-Child	30	12	12								
Preschool Child Feeding	25										
Year Child Feeding	30										
Junior Child Feeding	25										
School Feeding	20										
Feed for Non-Dependants	30	12	12	11400	4.54	521	45600	4.54	2484		
Feed for Work-Dependants	30	12	12								
Other											
7. TOTAL RECIPIENTS				186600			57000				
8. TOTAL REQUIREMENTS FOR FY 1987				14324						3105	

ADJUSTED REQUIREMENTS FOR SHIPMENT (METRIC TONS)	
9. Quantity on Hand September 30, 19 85	359
10. Quantity Received October 1 through February 28, 19 86	1360
10a. From Prior Year Approval	680
10b. From Current Year Approval	680
11. Quantity on Hand February 28, 19 86	623
12. Quantity Due or Rec'd for Current FY Program After Feb., 1986	1507
13. Total Line 11 Plus Line 12	2130
14. Projected Distribution March 1 through September 30, 1986	1623
15. Estimated Inventory, September 30, 19 86	507
16. Desired Operating Reserve 5%	155
17. Adjusted Total Requirements FY 1987	2752

CLEARANCES	
18. Submitted by (Field Representative)	SIGNATURE <i>Michael T. Ridenour</i> TITLE MICHAEL T. RIDENOUR COUNTRY REPRESENTATIVE
19. Reviewed and Recommended by US AID or Embassy	SIGNATURE <i>Thyle W. Bernice</i> TITLE USAID Lesotho
20. Cooperating Sponsor Approval	SIGNATURE <i>Thyle W. Bernice</i> TITLE USAID Lesotho
21. ISC/AID - Washington Approval	SIGNATURE <i>Thyle W. Bernice</i> TITLE USAID Lesotho
DATE	30TH APRIL, 1986
DATE	7 May 1986