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FINAL REPORT

**LESOTHO AGRICULTURAL PLANNING PROJECT
PHASES I and II**

**Contract Nos.
632-0218-C-00-1009-00,
632-0218-C-00-60010-00
June 1981 - March 1990**

Prepared for

**U.S. Agency for International Development
Lesotho**

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LIST OF ACRONYMS

APP	Agricultural Planning Project
ASC	Administrative Systems Consultant
CPO	Chief Planning Officer
CPDO	Central Planning & Development Office
CTO	Chief Training Officer
DAO	District Agricultural Officers
DEO	District Extension Officers
DFS	Director of Field Services
FAO	Food and Agriculture Organization
FNCO	Food Nutrition & Coordinating Office
GOL	Government of Lesotho
ILO	International Labour Organization
LAC	Lesotho Agricultural College
LADB	Lesotho Agricultural Development Bank
LAPIS	Lesotho Agricultural Production and Institutional Support Project
LASA	Lesotho Agricultural Sector Analysis
LASR	Lesotho Agricultural Situation Report
LIPA	Lesotho Institute of Public Administration
LOE	Level of Effort
LOP	Life of Project
MA	Marketing Advisor
MAG	Management Analysis Group
MMA	Manpower and Management Advisor
MOA	Ministry of Agriculture
MPIS	Management Personnel Information System
NUL	National University of Lesotho
OJT	On-the-job Training
PA	Policy Advisor
PACD	Project Assistance Completion Date
PD	Planning Division
PFE	Project Formulation and Evaluation
PO	Planning Officer
PP	Project Paper
RFP	Request for Proposal
RSA	Republic of South Africa
SADCC	Southern Africa Development Coordinating Conference
SDA	Statistics and Data Advisor
SPO	Senior Planning Officer
TL	Team Leader
TOU	Technical Operations Unit
UNISA	University of South Africa

SECTION I

INTRODUCTION AND BACKGROUND

A. Introduction

This final report summarizes activities carried out by Chemonics International Consulting Division in the Kingdom of Lesotho from September 1981 through July 31, 1990 in support of the Agricultural Planning Project (APP) (no. 632-0218). It covers accomplishments under two successive technical assistance contracts between Chemonics and USAID/Lesotho (nos. 632-0218-C-00-1009-00 and 632-0218-C-00-60010-00). The report is submitted in fulfillment of section C, part II.E.4 of the most recent contract, which requires the contractor to submit a final report on accomplishment of the contract scope of work within 60 days of termination of services. As of this writing, the contract termination date has not yet been reached, and there remains a small amount of short-term level of effort (LOE) in the contract. But, USAID/Lesotho has determined that further services will not be rendered under the contract, and has instructed the contractor to proceed with the final report.

The first technical assistance contract (APP I) was signed in June 1981 for a period of five years. The field team was in place by September 1981. The overall APP was extended via a project paper amendment for an additional four years beginning in August 1986. The technical assistance contract for the extended project period was awarded to Chemonics under competitive bidding. In this report, we refer to APP I as the phase from June 1981 through July 1986; and APP II as the phase from August 1, 1986 through the current date (March 1990).

The structure of the report is as follows. This section presents introductory and background material concerning the APP. In section II, we report on project implementation by contract year, including both technical and administrative activities. Section III gives a summary financial overview of the two contracts. The report concludes in section IV with recommendations by the contractor concerning future technical assistance and USAID support for agricultural policy analysis and planning activities in Lesotho.

B. Rationale for the Agricultural Planning Project

The APP was a follow-on project to the Lesotho Agricultural Sector Analysis (LASA) project which operated from 1976 to 1981. LASA advisors were located in the Planning Unit of the Ministry of Agriculture (MOA) providing technical assistance to the policy, project formulation, and project evaluation sections. Numerous formal research studies were conducted covering a series

of technical subjects affecting the development of the agricultural sector in Lesotho. Analysis of current policy issues were also carried out.

The LASA project initiated the first systematic review and assessment of primary production and marketing factors and how they contributed to the existing agricultural situation in Lesotho. LASA documents also provided the first formal review of constraints to development and potential policy interventions to overcome them. Thus, the output from LASA provided an "institutional memory" from which future analysts could quickly obtain an overview of Lesotho agriculture from an economic perspective.

Building upon the LASA research orientation, APP was designed to accomplish broader institution-building objectives, namely, to strengthen the capability of the Planning Division (PD) in applying knowledge and expertise to current problems and issues, improve and expand the data base required to carry out policy analysis, and improve project formulation and monitoring capacity of the division.

C. Review of the Project Design

APP departed from LASA in two major respects. First, advisors were located in the MOA PD sections, conducting the substantive work for which they were responsible. This was done to promote a collegial relationship and encourage on-the-job training (OJT) between advisor and counterpart. Under LASA, advisors were located, as a team, in adjoining offices separate from counterparts. This was conducive to maintaining professional dialogue among expatriate advisors, but minimized daily involvement with counterpart staff activities of the division.

Second, the focus for APP was shifted from research designed primarily to expand the knowledge base to analysis directed toward specific problem-solving or issue-resolution. Where LASA advisors were oriented to longer-term analysis and research that would be useful in the future for application to specific problems, priorities of APP advisors were set by immediate problems and issues as defined by MOA.

1. Project Goal

The project goal for APP I was to "contribute toward the attainment of a prosperous, agriculturally-led economy in Lesotho through improved planning." This was to be accomplished by institutionalizing "a planning system in the MOA with the capability to develop effective agricultural policies and plans through policy analysis, program and project formulation, and program and project evaluation." Under APP II, the goal

statement remained the same but the project purpose was slightly modified: "to develop an independent planning capability within the MOA which results in improved program implementation, management, and market development."

2. Project Outputs

Project outputs also were slightly revised between APP I and APP II. Table 1 provides a comparison.

Outputs for APP I are oriented toward organization building; accordingly, three of the four outputs relate to personnel development. At the time of project startup, six new B.A.-level Basotho staff had been hired. It was expected that additional staff would be hired annually as part of the development process. The detailed project description called for a minimum of 17 professional and 10 support positions and further states that, by the fifth year, "the Planning Division will have evolved through recruitment and staff training, technical assistance, and organizational planning into a viable and effective unit able to contribute to national plans; formulate strategies; respond to special assignments; identify, develop, monitor, and evaluate agricultural projects; and effectively integrate technical division field programs." It was expected that seven officers would be trained to the M.S. level and 10 to the B.S. level, supported by four assistants, five clerk-typists, and one driver/messenger.

Outputs for APP II build from strengthened organizational capacity achieved under APP I by identifying specific sets of activities relating to policy analysis, data collection and analysis, project monitoring and evaluation, and manpower and management practices that assist in implementation of agricultural plans. The following indicators of accomplishment were identified.

Enhanced capacity under output 1 refers to: (1) availability of three full-time and sufficiently senior staff, (2) production of five sector plans, and (3) revision and review of eight policy papers.

A functioning statistics system under output 2 refers to: (1) six Basotho staff in the section, (2) publication of quarterly reports on selected agricultural commodities, (3) providing timely data to the policy and marketing section, and (4) operating an information system providing current price data and crop production forecasts for the marketing section.

Table 1. Expected Project Outputs, APP I and APP II

Project Outputs APP I	Project Outputs APP II
1. An approved and functioning agricultural planning organization	1. Enhanced MOA capacity to analyze and recommend agricultural policies including marketing policies
2. A personnel recruitment program	2. A functioning system for collecting, collating, analyzing and publishing agricultural input, production, and trade statistics
3. Trained personnel in all posts	3. Monitoring and evaluating systems are operating to track MOA program and project progress
4. Approved and functioning operational procedures are in place	4. MOA Manpower and Management practices that assist in the production and implementation of agricultural plans

An operating monitoring and evaluation system under output 3 refers to: (1) staffing of the program and project formulation section with at least six planning officers, (2) developing a functioning computerized project monitoring system to track project status, and (3) an annual review of the MOA project portfolio including an assessment of their correlation with existing program and policy goals.

Finally, effective manpower and management systems under output 4 refers to: (1) development of an approved manpower plan, (2) conducting three in-country management seminars, (3) holding six workshops to bridge planning and implementation phases of agricultural projects, (4) an established plan for developing a career ladder for MOA career staff, and (5) the establishment of a Management Analysis Unit.

3. Inputs

Project inputs consisted of technical assistance, training, and financing of commodity purchases. According to the project paper (PP), total grant funding provided by USAID totaled \$6.2 million over the life of project (LOP). Twenty person-years of long-term technical assistance and approximately 13 short-term consultants totaling 30 person-years of LOE over the LOP were

estimated. Participant training in the United States and third countries were projected at approximately 120 person-years. Contract funds were authorized for construction of offices and housing, and purchase of vehicles, equipment, and professional materials.

Concerning technical assistance inputs, under APP I the contractor was required to recruit and place four long-term expatriate staff: an agricultural policy advisor-team leader, a project formulation and evaluation advisor, a statistics and data analysis advisor, and a manpower and management advisor.

The Government of Lesotho (GOL) contribution to the project was estimated at \$1,152,000 to cover support costs for building maintenance and utilities, costs of land, etc.

The project assistance completion date (PACD) was extended first to November 1989 at no extra cost, and subsequently to July 1, 1990 at no extra cost. Favorable movements in the US\$/Loti exchange rate over the project life resulted in major accrued savings on locally-purchased items. Also, less-than-planned use of short-term consultants allowed reassignment of LOE into extended long-term advisory services under the second technical assistance contract.

Under APP II long-term technical assistance included: (1) policy advisor (PA)/team leader (TL), (2) a marketing advisor (MA), and (3) a manpower and management advisor (MMA). The first two positions were funded through December 1988, the last through June 1990.

SECTION II

PROJECT IMPLEMENTATION

This section begins with a brief summary of contract start-up activities in 1981, then on project implementation, including contractor activities and accomplishments, by year.

A. Contract Startup

The first technical assistance contract (APP I) was signed between Chemonics International and USAID/Lesotho on June 22, 1981. Over the next two months, the contractor hired and oriented the long-term advisors, arranged their travel and shipment to post, and set up administrative systems in Chemonics' home office and in Lesotho.

Soon after the team orientation, held in Washington, D.C. in early August 1981, the home-office project supervisor, Candace Conrad, traveled to Lesotho for contract startup. Upon arrival in Lesotho, Ms. Conrad learned that the main APP counterpart, MOA Chief Planning Officer (CPO) Matseia Morojele, had been called away from Lesotho to attend an international conference. Since Mrs. Morojele's participation in startup activities within GOL institutions was essential, Ms. Conrad worked principally with USAID/Lesotho on administrative arrangements in the first two weeks.

With USAID, Ms. Conrad negotiated and finalized amendment no. 1 to the technical assistance contract. The purpose of this amendment was to make specific allocations within the contract budget for guard service, house utilities, and costs associated with report production. Also, this amendment provided for the hiring of a part-time local administrative officer for the contract. No additional funds were required for this amendment.

At USAID/Lesotho's suggestion, Ms. Conrad also took a short trip to Botswana to investigate lessons learned in the Botswana Agricultural Planning Project, a project that had served as a design model for APP. Ms. Conrad interviewed Botswana and expatriate staff concerning the project's efforts in policy and planning support, training and staff development, organization, and management. This was a very useful visit, the findings of which were incorporated into the startup arrangements for APP.

Mrs. Morojele arrived back in Lesotho in mid-September 1981. A preliminary contract work plan was developed with her, offices assigned and readied for the advisors, and formats and systems for progress reporting established. The CPO emphasized that she wanted the APP team to become fully integrated into the Planning Division of the MOA, and she carefully assigned full-time Basotho

counterparts to help achieve that integration. Furthermore, the CPO insisted with USAID and the contractor that all project reports would be considered ministry reports, sent first to MOA for review and comment, and later to USAID in final form. This system of report clearance was followed throughout both contracts.

In late September 1981 the project supervisor returned to the United States, and contract startup activities continued with the arrival of Chemonics' project administrator and the TL/PA. During the next month, preliminary contract activities continued with the hiring and training of a contract administrator, assignment of housing and offices to arriving team members, and putting in place operational contract accounting and administrative systems.

B. Project Implementation: September 1981-September 1982

The advisory team fielded in late September 1981 consisted of: David Zimet, TL/PA; Enrique Valdivia, project formulation/evaluation advisor (PFE); and Robert Sparks, manpower and management advisor (MMA). The position of statistics and data advisor (SDA) was still vacant at contract startup owing to a last minute change of plans by the proposed candidate. The position was filled in March 1982 by Conrad Fritsch.

1. Technical Activities of the Team

Work plans covering the technical jobs of all advisors were prepared and submitted to the CPO in December for comment and approval. The emphasis in the work plans was the provision of training and operational assistance by advisors to the Basotho staff in meeting their daily work responsibilities.

Counterparts were initially available for the PA (the CPO) and the PFE (head, program and project formulation [PPF] office). The head of the Statistics Section was named counterpart to the SDA when he arrived. A counterpart was assigned for the training related work of the MMA (MOA chief training officer), but none assigned for the management-related work.

To provide clearer focus on training required, a skills needs/staffing list was prepared for the PD staff during the first quarter of 1982. Two Basotho staff were processed for long-term participant training and departed for the United States. Based on input from the CPO and the senior planning officer (SPO), a project training plan was prepared.

The PA accompanied the director of extension on a one-week orientation tour around Lesotho. Six division-wide seminars were held to discuss papers and research completed by project advisors and Basotho staff to meet part of the project's training

objectives. The PFE conducted a project formulation workshop. More formal training in macroeconomics, suggested in the original contract work plan, was not implemented because of non-approval by MOA leadership.

By the end of the first quarter of 1982, the contractor's annual work plans had not yet been approved by MOA leadership.

The SDA, who arrived in March 1982, completed a five-year Implementation Plan which outlined a course of development for the Statistics Section. It was oriented toward the development of the Statistics Section rather than toward the actual work anticipated by the advisor.

The MMA was responsible for coordinating training activities for the project and assisting with improvements to the PD's structure, staffing, management, and operations. He completed a skills identification exercise in February which provided the basis for assigning the six professional staff eligible for M.S.-level training. A five-year training plan was prepared anticipating that 20-25 students from the National University of Lesotho (NUL) and the Lesotho Agricultural College (LAC) would be sponsored by the project during their last two years of school. Two staff were processed for admission to M.S. degree programs in U.S. schools beginning in June.

During the second quarter of 1982 it became clear the MOA desired to use advisors in a more operational mode than had earlier been anticipated. All formal training aspects of the advisors' work plans were disapproved by the CPO, and advisors were directed by the CPO to shift their attention to providing operational support to counterparts for carrying out the daily PD workload. Accordingly, the PFE advisor became directly involved with carrying out project monitoring and evaluation activities, and the PA/TL responded to daily requests for rapid turnaround staff analysis.

The MMA became increasingly involved with processing training arrangements for division staff and, beginning September 1982, assumed an acting position for the Basotho chief training officer (CTO) while he was on a short course in the United States. In this capacity, the MMA coordinated training activities ministry-wide.

The MMA assisted with developing a major training activity of all senior level managers in the MOA. Led by short-term consultants Donald Spears and Richard Petit, the course in July 1982 was designed to introduce a more participatory management style and achieve a higher level of involvement by MOA staff in problem resolution. A ministry-wide work plan, reporting and monitoring approach, was introduced for implementation in the ministry.

As the activities of the Statistics Section had not been as clearly defined as for the other sections, the SDA was able to develop his work relationships within the context of the Five-Year Implementation Plan even though a specific work plan for the advisor had not been approved, apart from that of the section. A methodology for estimating grain shortfalls in Lesotho was developed.

By the end of the first contract year, individual work plans for advisors were still not approved by the CPO who preferred that advisors plan, carry out, and report their activities within the context of the division's annual and quarterly work planning and reporting cycle. This became a major concern of the contractor and USAID/Lesotho due to the contract requirement for annual work plans toward meeting the contract scope of work.

Papers and reports completed during the period in which advisors were directly involved included:

1. Staff analysis on maize mill, maize, and wheat pricing;
2. A position paper on agroindustrial development;
3. A Monitoring and Evaluation System: Its Role in Agricultural Planning;
4. Staff analysis and comments on agricultural marketing and credit project, and improvement of agricultural credit services;
5. Project proposals concerning "Intensive Arable Area Conservation," forest development, rehabilitation, and maintenance of soil conservation activities in Lesotho;
6. Guidelines for Agricultural Project Identification, Formulation, and Evaluation;
7. Data collection and initial analysis of the Food Self-Sufficiency Project;
8. Staff analysis report of Lesotho's existing economic position;
9. Guide for Conducting Project Evaluation Surveys;
10. Staff analysis of the implications of Lesotho membership in the South African Customs Union;
11. Background paper on formulation of a comprehensive training plan;

12. Identification of basic planning skills and academic training programs needed for a fully staffed PD;
13. Assessment of educational institutions in Lesotho available for short courses and preparatory training;
14. Background information on proposed long-term trainees;
15. Review of government organizational issues;
16. Review of the curricula of the Lesotho Agricultural College; and
17. Staff assessment of distribution of costs for containers of agricultural products, especially sacks to store maize.

3. Contractual and Administrative Activities

Housing was available for all advisors from the stock provided to USAID for use by APP advisors. However, special arrangements between the USAID and the MOA were required to locate furniture for the PFE. An addition was added to the house occupied by the MMA to accommodate his large family. New housing was to be built for all four advisors using project funds, but construction had not started at the time of contract initiation.

Office space was located for the PA and the PFE within the PD wing of the MOA complex, but the MMA was housed in the administration wing away from direct contact with the rest of the advisory team. Office space during this early period was crowded but was relieved when the new PD office complex, constructed with APP support, became ready for occupancy.

Project vehicles including two Land Rovers, one Chevy sedan, and one Datsun 10-seater van were purchased by USAID and received in October 1981. Textbook orders as called for in the project agreement were placed to provide Basotho staff with textbooks and special material to support projected workshop and training seminars and to serve as reference materials.

In June 1982 the MOA requested the TL be replaced, and after considerable discussion with MOA leadership, USAID concurred and communicated the request to Chemonics. The director of Chemonics traveled to Lesotho to discuss the TL replacement, and it was agreed that Chemonics would delay proposing candidates until the findings of an internal USAID project evaluation were available for guidance on this and other project implementation issues. In the interim, the SDA was designated as acting TL.

The internal USAID evaluation was conducted in late July 1982. A consultant from Pennsylvania State University, Dr. Dean Jansma, and Chemonics' project supervisor, Ms. Conrad, were

called in to assist USAID in the evaluation. The purpose of the evaluation was to assess progress to date and address several project implementation problems including: issues surrounding TL performance and administrative assistant resignation; MOA and USAID differences regarding advisors' emphasis of operational versus institution-building activities; inactivity of the management committees required by the project documents; the inclusion of PD marketing activities and technical assistance to marketing within the scope of the contract; and issues related to bonding Basotho staff after receiving project-sponsored long-term training.

Recommendations from this evaluation were:

- o The CFO and TL should set aside a period each day to discuss work assignment for the advisors;
- o The current SDA, who was acting TL at the time of the evaluation, should be confirmed in that position and be shifted to the PA position;
- o Monthly management meetings with the TA team and their counterparts should be initiated;
- o The Central Planning and Development Office (CPDO) should be assigned a stronger coordination role to improve communications between TA and local staff;
- o The MMA should determine the amount and distribution of the workload on the personnel in the PD;
- o The administrative assistant position should be redefined to stress administrative support for the contract technical assistance team, and should be housed in an office outside the ministry;
- o Further analysis is needed to determine the benefits of incorporating the Marketing Section within the PD;
- o Review existing terms of reference for the advisors to determine whether mutually agreeable changes were possible;
- o Develop plans to implement a phased concept of moving from heavy operational orientation to more technical assistance/teaching roles;
- o Additional dialogue is required in management meetings on ways to increase the effectiveness of OJT and related informal instructional activities.

- o Bonding requirements for participant training require additional review as changes in existing GOL procedures are needed to meet changes desired by the USAID.

(Note: The GOL requires that an officer satisfactorily complete a two-year probationary period before becoming eligible to retain his government posting and associated benefits while on overseas training. USAID preference was that a one-year probationary period be sufficient for an employee to retain establishment post and government benefits while on training. A second issue relates to GOL practice of bonding an individual to government-wide employment on return from training while APP requirements are to bond specifically to the PD on return from training.)

C. Project Implementation: October 1982-September 1983

In October 1982, the SDA was officially appointed to the TL/PA position creating a vacancy in the SDA slot. Based on recommendations of the evaluation, a new part-time administrative assistant was hired to provide support for the technical assistance contract. One of the servants' quarters adjoining the house of the TL was renovated to serve as the contractor's central office, thus moving that activity away from the MOA office complex. A Basotho secretary was hired with contract funds to help meet the clerical demands of the PD.

1. Technical Activities of the Team

Advisors continued to be directly involved with operational activities during this period, with the PFE and the PA acting in substantive line capacity during the absences of their designated counterparts.

A policy task force was formed in October to coordinate the development of a set of policy discussion papers to be used as a basis for formalizing policy decisions by government. This major policy development initiative involved the preparation of seven policy discussion papers. The initiative was coordinated by the PA and CPO, drawing on technical staff as needed. Professional staff in all technical departments were included in the preparation of the papers and a Policy Review Board consisting of the heads of department was formed to serve as a review panel.

The PA was named co-chairman of an Interministerial Task Force to assess progress toward achieving goals of the 1979 Food and Agriculture Organization (FAO) World Conference on Agrarian Reform and Rural Development. The task force report was completed. In addition, a manpower development policy paper, with major input from the MMA, and an analysis of a food security strategy for Lesotho were completed.

Training activities, supported by the MMA, were very heavy during the year. Numerous staff received short-term training with APP support including: MOA principal secretary attended a policy seminar; the deputy PS for administration attended an organizational seminar; an MOA planning officer attended the "Economic Forecasting for Agricultural Decision Making" course; and two secretaries were programmed for local secretarial training. Also, the PD executive officer began a diploma course at a local training institute, Lesotho Institute of Public Administration (LIPA).

Two planning officers returned from overseas training, one with a M.P.A., the other with a M.S. in agricultural economics. Six new long-term training programs were initiated: two planning officers (PO) to the University of Wisconsin for M.S. degrees, the CPO to the University of South Africa (UNISA) for a correspondence honors degree in economics (equivalent to a U.S. M.S. degree); one PO entered the USDA graduate school for a M.S. in management; and a secretary went to Kianda College, Kenya for a one-year diploma course.

Two PD staff received introductory computer training and six secretaries received word processing training to support the introduction of two Apple II computers into the division by the project.

Preparation of an annual statistical publication, "Lesotho Agricultural Situation Report," was initiated during the year with procedures developed and data collection started and completed. A technical assistant, Mary Matson, was employed as a local hire to provide expertise and OJT in developing the layout and publication of the work. The purpose of the situation report was to provide a comprehensive annual publication of all important agricultural production, prices, export and import levels, and input use for major crops and livestock activities. In the process of developing this publication, it was necessary to define specifically all data needs and to develop consistent estimation procedures so that historical consistency was maintained.

A new SDA, James Seiber, arrived in June 1983 to guide the technical aspects of data collection, analysis, and presentation. Most data were obtained from the Bureau of Statistics, which collects all agricultural survey data for government. New questionnaires were developed to collect data on fertilizer use. Procedures were also developed to collect data on imports and exports from the MOA technical divisions which are responsible for these activities.

The PA/TL made plans to conduct a sector evaluation prior to development of the next Five-Year Agricultural Plan.

The PFE advisor worked heavily in project formulation and monitoring activities. Proposals were prepared for projects devoted to introducing bio-gas production technology, improving delivery of agricultural services to small farmers, mountain livestock development in the southern mountain regions of Lesotho, and expanded program outreach for rural women in development efforts. Position papers were prepared for the Food and Nutrition Coordinating Office (FNCO) concerning implementation of food self-sufficiency policies as part of the new Southern Africa Development Coordinating Conference (SADDC). Market outlets for products prepared by small-scale handicraft producers were investigated. OJT was provided to PFE section staff in technical procedures for project monitoring, use of shadow pricing, and project evaluation guidelines.

At the request of the MOA, the PFE advisor ended his tour earlier than scheduled, in April 1983. A new PPF advisor John Smith, arrived in Lesotho in June. During the first months, most time was spent in becoming familiar with projects managed by the MOA through field visits and review of pertinent documents. Cost estimates were prepared for development of a maize silo complex, fruit production, afforestation program, and expansion of the agricultural credit program of the Lesotho Agricultural Development Bank (LADB).

The new PFE advisor introduced project concept papers and project idea statements were prepared for conservation of soil and water resources in lowland southern districts of Lesotho, promoting development of a land use planning capability in southern lowland districts, developing commercial vegetable processing industry, afforestation, small farmer irrigation systems, and vegetable marketing systems including credit programs. Guidelines for evaluating progress during the Third Five-Year Plan Period were prepared by the PFE Section in preparation for the Fourth Plan. A classification system for cataloging agricultural development priorities was prepared, as were procedural guidelines for project monitoring and evaluation.

Papers and reports prepared during the period in which project staff were involved included:

1. Policy Paper No. 1: A summary of basic policy positions of the MOA to be updated as changes are adopted;
2. Policy Paper No. 2: Target Groups in the Rural Sector;
3. Policy Paper No. 4: Employment Policy in the Agricultural Sector;
4. Policy Paper No. 5: Agricultural Credit Policies, Options, and Strategies;

5. Policy Paper No. 6: Cropping Policies and Strategies for Lesotho;
6. Policy Paper No. 7: Livestock and Range Management Policies;
7. Progress in Agrarian Reform and Rural Development;
8. A Priority Classification System for Agricultural Development;
9. Guidelines for Evaluation of Agricultural Progress in the Third Five-Year Plan Period;
10. Staff review of proposed SADDC early warning crop forecasting regional project;
11. Proposal for establishing a management information system for the PPF Section.

2. Contractual and Administrative Activities

Part-time administrative assistant Mary Matzen was employed September 1982 as a local hire. She was replaced by Debbie Cully in March 1983. PFE advisor Enrique Valdivia left Lesotho in April 1983. James Seiber assumed a vacant SDA position June 1983. John Smith assumed a vacant PFE position June 1983.

Furniture and filing cabinets were purchased in October 1982.

The new MOA office complex housing the Planning Division was completed in early 1983. The new space was occupied in February 1983. Two of the four APP advisors were located in the new offices (PA, PFE), while the MMA and SDA remained with their assigned units in the old office building.

D. Project Implementation: October 1983-September 1984

The MMA completed his assignment and a new MMA, Edward McCombs, arrived in February 1984. Don Bostwick, a former OPEX advisor, was incorporated into the APP advisory team as marketing advisor from March through December 1984.

1. Technical Activities of the Team

APP advisors continued to be heavily involved with operational duties. The PA served as acting CPO March through July 1984. To provide improved staff communications and coordination, weekly heads of section meetings and monthly professional staff meetings were held. Staff from the CPDO were

also invited to these meetings to improve dialogue between the agricultural section of the CPDO and the PD in MOA.

Policy papers initiated under the previous period were reviewed by MOA technical divisions, and comments and suggestions by the PA were incorporated into final policy discussion papers. A policy analysis paper covering forestry development was initiated. Also, a policy discussion paper on development of Extension/Technical Services was completed for MOA review. A short-term consultant, David Kidd, was brought in under the APP contract to work with the MMA in conducting an evaluation of the MOA extension services, providing recommendations for future directions.

The first Land Act policy seminar was held in March 1984 to assess the Land Act of 1979 and provide a basis for developing regulations to implement the agricultural provisions of the act. Proceedings were prepared. The report of the International Labour Organization (ILO) study of employment development potential in Lesotho was critically reviewed for input toward the MOA response to this donor conducted study. Policy Paper No. 1 was updated and used as an MOA discussion document at the multidonor conference in April and a short discussion paper describing the policy formulation process in the MOA was completed.

During this period, the SDA was involved in completing the Lesotho Agricultural Situation Report (LASR), including formulation of a data collection and processing system to update and verify data and design and layout for publication. He provided continual OJT to Statistics Section counterparts. The LASR was ready for publication in July 1984. A procedures manual and data base management system which documented procedures for collecting and managing data and for assembling and collating the report were prepared. Two HP 150 computers were received and installed in the Statistics Section in July 1984 to provide the necessary hardware to computerize preparation of the LASR. The head of the Statistics Section left in June to commence a M.S. degree program and the SDA started teaching a year-long course in economics and rural development at the NUL.

The PFE advisor worked to improve management and communications in the PPF Section. Weekly staff meetings were held to discuss assignments, plans, and problems. Professional staff returning from overseas training strengthened the section's performance capabilities. The MOA introduced a new local projects initiative requiring additional project formulation work from the PPF staff. The PFE advisor assisted in the preparation of 12 new project idea papers under this initiative using the opportunity to provide OJT to Basotho staff. He also assisted the PPF section staff in revising an evaluation for the IFAD Lesotho Agricultural Development Bank project.

The PFE advisor also undertook revisions to the Mountain Livestock Improvement project, development of small-holder production projects, a horticultural production survey, a feasibility study of commercial vegetable production in specific locations in Lesotho, and upgrading the agricultural information service to improve performance of that division. A "Production Programmes" concept paper was prepared to provide a broader program orientation to MOA project development activities. The PFE advisor was instrumental in organizing an interministerial seminar to provide focus on the proposed Mountain Livestock Development Center in July 1984.

Work to improve the annual planning process for the PPF section was designed and implemented. A key feature of the approach was to develop a program and project priority ranking system as a means for selecting viable projects. Improvements in OJT through greater involvement of Basotho planning officers in the substantive aspects of project formulation were initiated. Also four NUL student interns were hired during the holiday break to assist in carrying out the information handling function of the PPF Section.

The PA/TL and PFE advisor collaborated on a plan for conducting a series of workshops designed to familiarize MOA personnel with procedures of formulating agricultural policy, and to define the appropriate roles of MOA personnel in developing and implementing agricultural policy.

A manpower policy paper was finalized by the new MMA based on consultations with heads of the MOA technical divisions, and was approved in July 1984. SADCON, a local training organization, was retained to provide in-service training to MOA administrative and clerical staff to improve skills and efficiency. The MMA coordinated this effort and monitored training of two groups of secretarial and clerical support staff. Nine PD staff participated in a dBase II programming session on the new HP 150 computers.

The MOA Training Committee was reactivated for the purpose of institutionalizing selection and processing of MOA candidates for donor-sponsored long- and short-term training. The existing training needs assessment and training plan were reviewed with MOA officials and updated.

The MMA served on an interministerial steering committee to localize governmental functions in the new district headquarters for Thaba Tseka and composed the final report for the committee. A work-assignment monitoring system was set up at the request of the PS and a management analysis task force organized to provide an institutional base to address recurring management issues. A workshop to improve accounting procedures was conducted in July, including a component on staff motivation. A review of the check

writing procedures for the Livestock Products Marketing Service was conducted in June.

To improve performance of MOA technical projects, a preproject implementation system was developed and institutionalized by the MMA. In conjunction with the MA, the MMA also conducted an internal review of the organization of the Marketing Section and made recommendations for structural and staffing improvements. The MMA became involved in assessing the impact on the PD of a proposal to institute a government-wide planning cadre that would link all technical ministry PDs into a professional planning unit coordinated by the CPDO.

Work reported for the marketing advisor and his assigned section commenced from the time the MA became part of the APP technical assistance team. One of his first activities involved a 10-year market price trend analysis for selected vegetables sold on the Bloemfontein market. Also, wool and mohair statistics--important for determining eligibility in the Lomé II stabilization program--were obtained from the South African cooperative responsible for marketing these products and used to prepare documentation required to claim program payment.

Staff analysis activities by the MA included: assisting in the preparation of grain production estimates and providing producer pricing options for maize, maize meal, and wheat. A major feasibility study was completed as part of an interministerial task force to determine a livestock marketing strategy to optimize use of the newly constructed national abattoir. The head of the Marketing Section started an MS management degree program at the USDA graduate school in July. The MA served as acting section head through August.

Papers and publications completed during the period in which APP advisors were involved included:

1. Policy Paper No. 3: Pricing Policy for Food Grains;
2. Lesotho Agricultural Situation Report;
3. Thaba Tseka Steering Committee Report;
4. Evaluation of the MOA Extension Services (consultant report);
5. Redirection project idea papers were written for greenhouse construction at the MOA Mejametalana farm; seed multiplication; fruit tree nursery development; expanding vegetable, poultry, and dairy production at farmer training centers; and expanding commercial production at the LAC;
6. Land Tenure Seminar Proceedings;

7. Mountain Livestock Development Seminar Proceedings;
8. Manpower Policy Implementation Plan;
9. Guide to Improved Staff Motivation;
10. Options for Marketing Livestock at the Government Abattoir;
11. Development of Slaughter Cattle Marketing in Lesotho (prepared for Mountain Livestock Development Seminar);
12. The Role of Economic Incentives in Buying and Selling of Cattle in Lesotho (prepared for Mountain Livestock Development Seminar);
13. Staff analysis briefing papers prepared on "Controlled Market Area for Carcass Beef," "Treatment of Condemned Carcasses," "Health Inspections and Grading," "Pricing Policy for Carcass Meat," and "Hides and Skins Marketing."

2. Contractual and Administrative Activities

Robert Sparks completed his tour as MMA in December 1983. Edward McCombs arrived in February 1984 to assume the position of MMA. Donald Bostwick, previously in the marketing section as an OPEX advisor, was transferred to the APP as the marketing advisor in March 1984. A short-term consultant, Bruce Kidd, was resident in Lesotho during July and August to conduct an evaluation of the Extension Service and Technical Divisions.

Two HP 150 computers were received in July for use in the Statistics Division.

Contract amendment no. 2 was negotiated and signed in March 1984. It added long-term LOE to the contract for incorporating a marketing advisor as part of the APP team. The amendment also authorized the contract hiring of local professional and clerical staff, and contract payment of travel for host government personnel, and for the purchase of computers. The indirect cost rates in the contract were revised based on latest NICRA. The contract budget was amended to reflect these changes, and a total of \$956,000 was added to the contract, bringing the total estimated cost and fee to \$3,086,600.

E. Project Implementation: October 1984-September 1985

1. Technical Activities of the Team

Team members continued activities from the previous period. The PA worked with an interministerial task force to develop regulations to implement the agricultural sections of the Land Act of 1979. The commissioner of lands was a member of this

task force. Because of the importance and sensitivity of the topic, discussions continued over most of the year with the final draft completed in mid-1985. The PA also assisted in preparing the MOA annual report, and developing a document and procedure for replication in future years.

A special policy discussion paper was prepared evaluating the Food for Work Programme and suggesting options for public works activities to provide income support for landless rural poor. The PA provided a policy orientation to a visiting World Bank official and also assisted the ILO mission with developing employment generating programs to counteract potential layoff of Basotho mine wage workers. Conceptual work was initiated on the Fourth Five-year Plan as part of an interministerial task force headed by CPDO; planning and initial development of the plan continued throughout the year. The approach developed for the agricultural sector portion of the plan was largely adopted by the GOL as its official approach. Policy Paper No. 1, devoted to a summary statement of agricultural development policies, was again revised by the PA to incorporate changes in MOA policies.

An initial study of the marketing of fruit and vegetables was completed by short-term consultant Job Savage. This was the first analysis that specifically looked at how marketing institutions affect the increase in production of fresh fruits and vegetables. It presented and discussed the viability of introducing a variation of the Republic of South Africa (RSA) market agent system in Lesotho.

A horticultural production and marketing seminar was organized and proceedings were written by the PFE advisor in November 1984. Maize, maize meal, and bread price options analysis were prepared as part of the annual activities of the marketing section. As the MA had completed his contract in December 1984, this work was undertaken by the PA. A Basotho PD staff member participated in an eight-week fruit and vegetable marketing course at Rutgers University during July and August.

The work of data and report preparation for the annual LASR was further institutionalized by storing data on the HP 150 computers and developing the software capability to print camera-ready tables and graphs using the computer. The reporting layout and design were simplified and made compatible with available computer software. This will reduce the need for specialized technical skills among local staff responsible for compiling the report. The second report was released in September 1985.

A final LASR procedures manual was prepared covering data sources and data collection, preparation, and storage procedures to maintain a set of time series agricultural data suitable for policy and project analysis work. Special efforts were made to collect fertilizer use data, especially from Co-op Lesotho, and

to improve the quality of data measuring agricultural imports. A paper was prepared by the SDA suggesting future directions for the section based on the recent project evaluation. A final evaluation of the accuracy and current and potential use of data was completed prior to the departure of the SDA in June 1985.

The PFE advisor prepared a report reviewing the MOA project monitoring system with recommendations to improve functioning of the section. A computerized listing of MOA projects was developed and all projects included. The printout available from the program provides project title, type, subtype, status, location, funding agency, cost, and comments describing the project and identifying the responsible MOA project officer. A procedures manual was prepared to explain use of the system. In addition, a procedure for storing and retrieving of project summaries was designed for rapid update of information on project description and project objectives.

Guidelines were prepared by the PFE for preparation of pre-proposal documents, project appraisal, and project evaluation. These guidelines were designed to provide the means by which PPF officers could be relieved of their heavily administrative monitoring activities and concentrate more on project formulation, appraisal, and evaluation activities. Prior to departure in June 1985, the PPF advisor prepared a status report of microcomputer hardware, software, and equipment as a basis for determining future PD needs.

The MMA began work with new district agricultural officers (DAOs) on improvement of district management capabilities. This was a follow-on to the recently completed review of the extension service. A three-day accounting workshop conducted by LIPA was attended by 34 MOA accounting officers. A paper concerning the management of project implementation and technical assistance was prepared for the PS. The startup of the Management Analysis Task Force remained on hold pending appointment of Basotho staff to the unit. A major concern of the MMA during this period was institutionalizing a preproject implementation system in the MOA to improve project startup experiences. Based on positive response from the accounting workshop, a financial management workshop for 30 senior MOA staff was held in May.

A study of the overall ministry organization was conducted at the request of the PS. The study demonstrated that the current structure is very hierarchical with only two people reporting directly to the PS. A flatter structure with no more than six persons reporting to the PS was recommended by the MMA. Recommendations from this study were implemented in mid-1985. OJT for registry staff was continued and focussed on work at the district headquarters. Recommendations were prepared regarding improvement in the the budget process. The MMA collaborated with

the PA on plans for conducting staff workshops to prepare the Fourth Five-Year Plan.

Reports and papers prepared during the period in which project staff were involved included:

- o Lesotho Agricultural Situation Report;
- o Regulations for implementing the Land Act of 1979;
- o MOA Annual Report, 1984;
- o Policy discussion paper, The Role of Food Aid and Implications for Employment Generation;
- o Proceedings, Horticulture Production, and Marketing Seminar;
- o An Evaluation of the MOA Monitoring System;
- o Practical Guidelines to "Write Pre-proposal Project Documents," "Conduct Project Appraisals," and "Conduct Project Evaluations;"
- o Development of a Marketing System for Fruits and Vegetables in Lesotho consultant's report;
- o Staff options papers on bean, maize, maize meal, and wheat price alternatives; and
- o Project Implementation and Technical Assistance, staff options paper.

2. Contractual and Administrative Activities

The marketing advisor completed his assignment in December 1984. The SDA and the PPF advisors completed their assignments in June 1985. A new administrative assistant was employed under local-hire provisions in February 1985 and the incumbent administrative assistant left the project in March 1985. A short-term consultant, Job Savage, was in-country during the period June and July to conduct a fruit and vegetable marketing study.

Contract amendment no. 3 was approved in June 1985. This was a purely administrative amendment that increased the amount of obligated funds in the contract by \$600,000.

A scheduled project evaluation was undertaken by USAID during the period February 4 through 22, 1985. The scope of work for the evaluation team had been prepared and mutually agreed by USAID/Lesotho and the GOL. During the evaluation, the team reviewed materials generated by the project and interviewed

advisors, MOA division heads, PD staff, and other GOL senior officials affected by APP activities to gather data for its assessment. Overall, the evaluation team recommended to USAID that the project life be extended to achieve its stated purpose. The team also made specific recommendations for each sub-objective of the project, as follows:

To improve the Organization and Operations of the Planning Division

1. The Agricultural Planning Division prepare written procedures for: 1) preparing project memoranda; 2) the distribution and approval process for project memoranda; 3) the distribution and approval process for policy papers; 4) procedures and distribution of monitoring reports; and 5) guidelines for project evaluation.
2. The MOA establish a special assignments section which would be responsible for coordinating and backstopping visiting donor missions and being the first point of contact for all special tasks.
3. The Statistics Section have its function more clearly defined and integrated with the policy and PPF sections.
4. A full review of MOA planned activity in the promotion and development of marketing be undertaken as soon as possible.
5. An inventory of the administrative resources available in the division be carried out and a plan on how they can be used to reduce the logistical workload of the professional staff be implemented.
6. Minimum levels of planning functions should be programmed into the work schedules of each section of the division.
7. Policy Section: A subsector policy issue of importance be selected for analysis. The section should then prepare a plan and carry out research on this issue, collect relevant data, analyze the issues on present policy options and recommendations and make recommendations to the principal secretary.
8. PPF Section: Prepare draft guidelines for project preparation and appraisal and test an improved system of project monitoring.
9. Statistics Section: In conjunction with the Policy Section, prepare and conduct a data collection and processing program in support of the subsector policy paper. In conjunction with the PPF Section, assist with data collection and analysis requirements of PPF or donor project formulation teams.

To Retain Existing Staff in the Planning Division

1. The MOA, DPS administration immediately resubmit the documentation to secure promotions for staff returning from training.
2. The CPO through the DPS should request that Cabinet personnel provide Grade 10 positions for those officers holding or acting as section heads within the MOA Planning Division.
3. CPO and SPO should prepare quarterly work plans with the staff of the Planning Division that reflect the professional/technical tasks of the staff.

To Improve Staff Development in the Planning Division

1. Project training funds should be utilized to increase training opportunities in areas related to planning and in those areas where skill demands are high.
2. More time needs to be allocated for one-on-one structured OJT experiences in which newly trained professional staff are able to utilize and apply their skills in the Planning Division working environment.
3. The MOA, CPDO, and USAID should maintain an ongoing dialogue on how the centralized Planning Cadre can be implemented in a way compatible with the project agreement and the orderly development of the Planning Division.

To Improve Management and Communication in the Planning Division

1. All requests for assistance are channelled through the appropriate people.
2. In-house meetings are regularly held for: first, weekly meetings within sections; second, weekly meetings between section heads, advisors, and the CPO and SPO; and, third, monthly meetings of the professional staff.
3. Seminars and workshops are scheduled where individuals from different sections, as well as management, can share their views on professional subjects.
4. The MMA to work with the CPO to develop training programs in management techniques for the supervisory personnel in the division.

F. Project Implementation: October 1985-July 1986

The ending date for the period discussed in this section coincides with the termination date for APP I. During this period, only the PA and the MMA were in place as long-term advisors. Marketing assistance was provided by short-term consultants.

1. Technical Activities of the Team

Both of the APP long-term advisors were heavily involved with coordination and preparation of the Fourth Five-Year Plan for the MOA. The MMA and the PA collaborated closely in planning and conducting six MOA workshops to gather and interpret planning data needs for preparation of the plan. As this was the first time that Basotho had been closely involved in plan preparation, a series of workshops and planning meetings were held with all headquarters leadership staff and with district staff. The purpose of these meetings was to discuss and develop the plan outline and to identify data requirements. Participating staff were required to assess the existing status of their division or district and to quantify levels of staff activities and agricultural production and marketing levels by commodity. For many, this was a first-time experience and required repetitive followup and review of data.

Since the CPO, who also served as head of the policy section in the PD, was completing her M.S. degree, the PA provided heavy operational assistance during this period. He carried out maize, maize meal, and wheat pricing analysis. He also assisted Basotho staff on the preparation of the MOA Annual Report, following the format of the previous year.

Political events in Lesotho brought about a change in the principal secretary in October and several changes in district agricultural officers. A military takeover in January resulted in additional changes to ministry staff which required repeating several workshops held in the latter part of 1985. A final draft for Part 1 of the Fourth Five-Year Plan for the MOA was completed in July 1986.

A follow-on study of production and marketing of fresh fruits and vegetables was initiated in September and completed in November by Job Savage, Harold Mannion, and Michael Kraidy, all supplied as short-term consultants under the APP contract. Building on the initial findings, this study suggested the development of a production/marketing center to help expand the local output of fresh fruits and vegetables. A specific business plan was developed as a part of the study to demonstrate the viability of expanding the production and export of fresh asparagus.

A study of maize and maize meal marketing was completed by short-term consultant Robert Olson in December 1985. The study identified existing formal and informal marketing channels for marketing maize and developed recommendations for price setting of both maize and maize meal. An additional study to develop pricing strategies for maize and maize meal after the opening of a new government mill was also completed by the same consultant during the period February to June 1986. In addition, he developed and demonstrated a rapid assessment methodology for estimating cereal grain production that was adopted by the MOA to provide early warning estimates of production levels. A food balance sheet approach was also prepared for use by GOL and donor agencies to assess shortfall levels.

An initial desk analysis of egg marketing was undertaken by the PA with the assistance of a Mosotho marketing officer and a survey of the marketing practices in all lowland districts was conducted and a report prepared. An analysis of wheat, eggs, and maize marketing in the RSA was conducted involving the PA, the short-term marketing consultant, and staff from the Marketing Section to serve as a guide in improving policy and regulations for marketing these products in Lesotho.

In the absence of an SDA on the advisory team, the PA assisted in the preparation and review of the LASR. Based on the methodology and the OJT provided by the previous SDA and the hiring of new Basotho staff skilled in computer applications, most of the work related to data collection, processing, and preparation for the LASR was completed with only review and part-time guidance from the PA.

The MMA, in addition to being closely involved with the staff training and preparation of the Fourth Five-Year Plan, provided assistance in the preparation of recurrent budget estimates during the October to December period. Training of middle-level management continued with a three-day course by SADCON. Management training for DAOs and district extension officers (DEOs) was held in May. The financial controller was assisted with an organizational and staffing analysis of the MOA headquarters accounts section. The ministry-wide training plan was updated and revised. The MMA completed his tour of duty in June 1986.

Reports and papers completed during the period to which advisors contributed heavily include:

1. Marketing Patterns and Long-Term Demand for Maize Meal in Lesotho, report by short-term consultant, Robert E. Olson;
2. Lesotho Market System to Reduce Imports and Increase Exports of Fruits and Vegetables, report by short-term consultants, Job Savage, Harold Mannion, and Mike Kraidy;

3. Pricing and Distribution of Maize Meal under Conditions of Oligopolistic Competition, report by short-term consultant, Robert E. Olson;
4. Expected Production of Cereal Grains and Pulses, Lesotho, 1985, staff report;
5. Food Balance Sheet for Lesotho, staff report; and
6. Fourth Five-Year Plan Agricultural Sector, Part 1, staff report.

2. Contractual and Administrative Activities

Short-term consultants Job Savage, Harold Mannion, and Michael Kraidy were in Lesotho during September and October. Short-term consultant Robert Olson carried out assignments from October to December 1985, and again from February to June 1986. The MMA, Ed McCombs, completed his tour of duty in June 1986.

Long-term staff were not recruited to replace departed advisors as USAID determined it was necessary to recompete the contract for phase II of the APP project to August 1986. Amendment no. 4 was approved July 23, 1986, extending the contract completion date from June 26, 1986 to July 31, 1990.

An Olympia word processor was purchased with contract funds, March 26, 1986, a Brother typewriter March 7, 1986, and a Sharp photocopier March 17, 1986.

G. Project Implementation: August 1986-September 1987

1. APP II Contract Startup

Based on the project evaluation conducted in the previous reporting period, the APP project paper was amended by USAID. The amendment modified the orientation of the technical assistance contract and extended the PACD of the project. The AID contracts office determined it was necessary to recompete the follow-on contract for providing technical assistance to the extended APP project. A request for proposal (RFP) was issued from the REDSO/ESA contracts office. Only the incumbent contractor, Chemonics, submitted a proposal in response to this RFP. A best and final phase was included in the proposal process in which the contractor offered technical and cost clarifications.

Chemonics was selected for contract award. Since the home-office project supervisor, Ms. Conrad, had relocated to Nairobi, Kenya to serve as Chemonics' East Africa regional representative, the decision was made to run project oversight out of Nairobi,

with Chemonics' home-office providing continued administrative backstopping. Ms. Conrad negotiated the APP II contract and budget with REDSO/ESA, and the contract was signed August 1, 1986.

The APP II technical assistance contract contained three long-term positions: TL/PA, marketing advisor (MA), and MMA. Conrad Fritsch was approved as TL/PA and was already resident in Lesotho. The MA, Robert Olson was converted from short- to long-term status and assumed his post in August 1986. The new MMA, Petter Langseth, arrived at post September 15, 1986.

2. Technical Activities of the Team

The initial activity under APP II was preparation of the IOP work plan. An annual work plan was also required to coincide with the MOA financial year beginning April 1987. Major new orientations for the APP extension period included expanded manpower and management emphasis and strengthening of MOA staff capability in computer analysis techniques. The PA and MA continued to work primarily in an OJT mode to strengthen local staff capabilities.

As noted at the outset of this report, project outputs were refined under APP II to provide a sharper focus on institutionalization of functioning systems in the MOA. Specifically, greater emphasis was placed on improving and strengthening manpower and management practices, analysis of policies including marketing policies, and developing systems for collecting, collating, analyzing, and publishing agricultural input, production, and trade statistics.

The Lesotho Agricultural Production and Institutional Support Project (LAPIS) was initiated during this period. USAID conceived of APP II as the planning and policy arm of the LAPIS project, therefore APP advisors attempted to coordinate their plans within the context of this new project.

With the installation of a new government at the start of the year, much of the economic analysis conducted during the period under review contributed to assessment of on-going projects and programs with a view to reformulating MOA policy and program orientation. This ministerial environment provided a setting conducive to meeting the project's OJT objectives.

To strengthen overall management and analysis of management capabilities in the MOA, a comprehensive paper addressing the mandate, purposes, functions, staffing requirements, and rationale for establishing a Management Analysis Unit was prepared by the MMA for MOA review. By the end of the period under review, an informal Management Analysis Group (MAG) was operational. Three local staff were hired to implement the MAG

using contract funds. The MOA provided one permanent government staff.

A revised manpower development policy paper was prepared under leadership from the MMA and subsequently approved by the MOA. It provided the basis for preparation of a comprehensive management implementation plan and introduction of systematic district level management procedures. A new staff development handbook was completed by the MMA to provide ministry managers with information to improve management and administrative practices.

To complement the personnel management handbook, the MMA designed a computer-based management personnel information system (MPIS) with assistance from short-term consultant Jim Richardson. Questionnaires were completed by some 3,000 ministry establishment staff to supplement available personnel information to provide input data for the MPIS. The system was operational by May 1987 and was used to generate the first ministry-wide telephone number and office locator directory.

Through the MAG, assistance was provided to the Financial Controller's office to systematize collection of monthly financial data and publication of monthly ministry accounts. An assessment of the ministry's telephone system was prepared and submitted to the MOA for review. A study of headquarters and district administrative procedures was initiated using local staff to administer a common survey form. Results were presented in a two-day, ministry-wide workshop in late September as part of the process to improve MOA management and administrative capabilities. The continuing emphasis of this work was directed toward strengthening district management and planning functions in support of policy decisions taken by the MOA in 1979, but not yet implemented.

Numerous manpower and personnel related workshops were conducted. Of special note are: three workshops on "Managing Change;" periodic workshops on public sector management offered to top level GOL managers in conjunction with local management institutions; a government-wide workshop for training officers to promote and strengthen professional colleague relationships; and a two-day workshop using the district survey for developing an action plan to strengthen MOA district planning and management activities.

Work continued toward completion of the MOA Five-Year Plan. Part II, containing anticipated project budgets and pipeline projects for the period covered by the plan, was completed and submitted to government. This was the first time that a five-year planning document was completed using primarily local staff. Numerous workshops and training sessions were held which included participation by the PA.

Plans to conduct a series of marketing studies were developed in support of project and MOA objectives. The MA assisted in preparing a general plan for staffing a new Marketing Department with expanded activities for analysis and to promote marketing actions to augment commercial production of fruit and vegetables. Assistance was provided to a VOCA consultant, Roy Wiebe, in preparation of a financial assessment of Co-op Lesotho as part of the USAID program to develop a policy reform program for Lesotho.

Grain supply and utilization tables and analysis were prepared by the MA for use in the 1987 LASR. Based on the work conducted by the MA when he worked as a short-term consultant to APP I, this analysis reassessed base period import levels and formulated a consistent supply utilization model for use in estimating staple food requirements for the nation. Minimal assistance was provided to local staff in completion of the LASR. Under the guidance of the MA and with the help of a local professional, short-term consultant Robert Enochian completed a study estimating transportation costs for fresh vegetables.

The PA prepared an assessment of the Land Act of 1979 for presentation at a Land Policy Review seminar held in March 1987. In conjunction with local staff, several major economic studies were completed for use in restructuring MOA crop production policies and activities. These included a financial assessment of the Technical Operations Unit (TOU), a loss-producing unit of the MOA which carried out extensive custom farming services; a survey of private tractor ownership and private sector involvement in offering tractor hire services; and an evaluation of all horticultural projects operating in the country.

To support the general review of MOA activities, the MA also assisted local staff in conducting evaluations of the National Abattoir and Feedlot Complex, and Co-op Lesotho. Both the PA and the MA participated in the activities of the Crops Policy Implementation Task Force.

Local staff were assisted in conducting annual analysis for price gazettement activities including maize and wheat and in conducting survey and analysis for crop forecasting purposes.

Informal staff analysis was conducted by the PA and MA covering rural nutritional status, review of food surveillance data associated with food distribution activities of the Food Management Unit, assessment of introducing a new wool scouring plant, a marketing system to replace the existing approach, and evaluation of joint-venture farming arrangements with farmers from South Africa.

To support all technical activities conducted by long-term advisors, a computer needs assessment was conducted. Based on

this assessment, seven new DOS computer systems were purchased by the contract and installed in the PD and the MAG offices. The assessment was conducted by short-term consultant, Jim Richardson. He returned later to Lesotho to coordinate computer installation and staff training in MS-DOS, Supercalc 4, Word Perfect, and Wordstar.

Reports and papers completed during the period in which advisory staff were involved include:

1. Investment Profiles, Part II of Five-Year Plan, staff report;
2. Implications of the Land Act of 1979 on Agricultural Development Activities, paper presented at Land Act Seminar;
3. Incentives for Increased Crop Production in Lesotho, policy analysis paper;
4. An Assessment of Irrigated Horticultural and Field Crop Production Programmes of the Ministry of Agriculture, policy analysis paper;
5. A Cooperative Agricultural Production and Marketing Programme for Lesotho, policy analysis paper;
6. The Management and Organization For the Input Supply and Crop Marketing Functions Now Performed by Co-op Lesotho, policy analysis paper;
7. 1986/87 Crop Production: Cereal Crops and Beans, Preliminary Assessment, crop forecast report;
8. Options for Restructuring the Technical Operations Unit (TOU), policy analysis paper;
9. Estimating Transport Costs for Lesotho's Vegetables, technical report prepared by Robert Enochian, ST consultant and S. Mochebelele;
10. Recommendations for Establishment of a Management Analysis Unit in the Ministry of Agriculture, proposal;
11. Proposal to Establish a Training Cadre, proposal;
12. Preliminary MOA Staffing Databook, personnel information report;
13. Management Study of the MOA Registry Function, management analysis report;

14. Survey of the District Registry Function, management analysis report;
15. District Survey, Ministry of Agriculture, management analysis report;
16. Workshop Follow up to the District Survey, outline of activities for MOA management workshop;
17. Action Plan Recommended by MOA Workshop, compilation of MOA management workshop recommendations;
18. Management of Change and Overcoming Barriers to Change, course outline for workshop series on managing change;
19. Telephone Directory for the Ministry of Agriculture;
20. Recommended Action Plan, compilation of GOL workshop on public sector management;
21. MOA Computer Needs Assessment Report, report of computer needs assessment conducted by consultant Jim Richardson;
22. Summary of Activity, report of computer consultancy conducted by Jim Richardson July 11-August 22, 1987;
23. Government of Lesotho Policy Objectives, paper presented at USAID retreat.

2. Contractual and Administrative Activities

Short-term consultant Jim Richardson was in Lesotho from October 27 to November 24, 1986 to conduct a ministry-wide computer needs assessment and initiate work on the MPIS. He returned July 11 to August 22, 1987 to install computers, provide initial computer training to staff, and update the MPIS system.

In fulfillment of the LOP work plan requirement, a contract management implementation plan was submitted to USAID and the MOA in January, and approved shortly thereafter. Also, an annual work plan integrating the work of the advisors into the ongoing work of their assigned MOA sections was prepared for the April 1, 1987 - March 31, 1988 period, and submitted for approval to USAID and the MOA in June.

All long-term staff participated in a two-day USAID planning retreat held in a local hotel February 26 and 27, 1987.

Contract amendment no. 1 authorizing purchase of microcomputers by the contractor was approved July 2, 1987. The contractor proceeded with local procurement of hardware and

software using AID procurement regulations. Computer hardware consisting of five AT MS-DOS microcomputers, five XT MS-DOS microcomputers and one Apple Mac Plus and peripheral equipment were purchased with contract funds during June and July 1987.

Through a PIO/T, approved July 17, 1987 the contract clause requiring the GOL to assume salaries of local staff paid from contract funds on an annually incremental basis was modified to enable full salary payment by the contract through March 31, 1988. After this date, the GOL was to assume full responsibility for these salary payments.

H. Project Implementation: October 1987-September 1988

1. Technical Activities of the Team

Following from the MOA management workshop in September, the MMA, working through the MAG, developed an implementation plan to improve district-level management and planning capabilities. A follow-up workshop was held with district agricultural officers and department heads to discuss the new structure which was designed to shift administrative and budget control from headquarters staff to district staff.

The recurrent budget system was redesigned to support the revised approach, a program was developed to strengthen the office of the director of field services (DFS) and the support capability of the DAOs whose responsibilities and authority would be greatly expanded under the revised approach.

The MPIS system development continued and a concentrated review and training of local staff was conducted from mid-December to mid-January by Jim Richardson. As reorganization of the district staff proceeded, the director of field services made increasing use of the system to gain working control over the district staff and understand staffing patterns and work responsibilities.

Implementation task forces were formed in each district to implement district reorganization plans with the MMA, DFS, and MAG staff conducting initial two-day orientation meetings. These task forces were unique in that leadership came from district staff rather than from the respective DAOs. They were used to develop district plans and budget projections. As this was the first time that district staff had been so directly involved in the process, it created a challenge to the established budget development process. The new process was supported by the minister and became accepted policy within the ministry in support of decisions which had been made in 1979.

The successful introduction of a decentralized budget and planning process considerably strengthened the position of the

DFS and demonstrated the effectiveness of the MAG in managing organizational change processes. This success, however, generated strong concerns among some headquarters leaders. The MOA did not assume its responsibility to pay salaries of local MAG staff when project authorization terminated on March 31, 1988.

Although the MAG provided a workable example of a catalytic unit for needed management reforms, lack of MOA support led to the gradual demise of the MAG. As a result, MAG activities reverted to the more traditional study and evaluation approach rather than the action analysis/implementation approach introduced by the MMA. He completed his two-year tour of duty in September.

A short-term consultant, Richard Wahl, was hired in October 1987 to conduct a study of the Headquarters Registry and provide OJT to registry staff. His efforts led to the purchase of new hanging files and cabinets, and revised procedures for assigning files and reorganizing and disposing of old files. His successful work led to a request from the ministry that he be retained and his scope of work expanded to include analysis of other headquarters and district registries. USAID concurred, and his contract assignment as administrative systems consultant (ASC) was extended through December 1988.

During the period under review, the ASC assessed all district organizational structures and devised a standard administrative staffing format. Available equipment, including vehicles and office furniture, was inventoried and recommendations made to bring all district offices to a minimal level of operational proficiency. Over 120 field service positions, located at headquarters and district levels, were reviewed and upgraded.

The initial work to improve activities of the Accounts Section continued. The MA working in conjunction with the ASC developed a model computer data entry program to facilitate transfer of accounting data from departmental files to headquarters files. The ASC took the lead in improving accounting procedures and computerizing these activities.

The ASC, cooperating with the LAPIS project, conducted an evaluation of introducing a micro-film system for the agricultural research library and reviewed the volume cataloging procedures as part of a recommendation to convert it to the Library of Congress system. An organizational review of the Nutrition Division was also initiated.

During the period, the OJT became well established in all sections in which APP advisors operated. Particular emphasis was paid to developing computer skills of counterparts using the

newly delivered PCs. Nineteen staff associated with the MAG, Accounts, and the Registry Sections were trained. Formal training was provided using locally available trainers under the overall direction of the MMA and ASC.

A similar OJT approach was used in the Marketing and Statistics Sections where 11 staff were trained. The MA developed a user-friendly Basic program to estimate financial returns from specific farm production and marketing activities, and developed spreadsheet-based programs to maintain marketing statistics and monitor horticultural planting intentions. Local staff were assisted in the design and conduct of a milk cost-of-production survey, analysis of dairy feed costs and development of a computer assisted method for analyzing wool and mohair sales and prices. Both these activities improved the new department capabilities to monitor horticultural marketing activities. Preparation of the LASR was completely transferred to the new computer technology and produced by local staff.

Two local staff associated with the MAG attended, with APP financial support, a three-week management short course from January through April held at George Washington University. One other staff member participated in a 12-week management short course in Botswana.

The GOL approved organization of a new Marketing Department in October. New staff were hired, but the formal structure remained unclear as ministry leaders were divided about whether the new unit should become part of the existing PD or be organized separately. This discussion continued throughout the period under review. The MA was closely involved in the organizational discussions and provided valuable insights to ministry staff.

With initiation of a new FAO early warning system for food crops, the MA assisted the technical team in developing formal estimating procedures compatible to the Lesotho situation. He continued to provide assistance to local staff in analysis of wheat and maize for price gazetting purposes. He drafted new regulations designed to promote development of a domestic milk production industry.

Policy analysis work expanded greatly in March with the appointment of a new Minister of Agriculture. The new minister had been acting-without-portfolio since mid-1986 in the capacity of a senior policy advisor, supported by an FAO project. Much of the policy analysis and studies of production and marketing systems in which APP advisors were involved over the past two years related to acquiring information and providing analysis leading to revised policies.

After appointment of the minister, the PA provided assistance in coordinating activities related to developing a new policy framework. Policy Paper No. 1, the vehicle used to publicly record MOA policy positions, was extensively rewritten. Both the MA and the PA were involved in writing additional policy position papers and in reviewing and contributing to papers developed by MOA staff.

The PA and MA, working with MOA staff, organized and worked with a set of ministry-wide task forces along commodity lines to develop policy analysis papers leading to preparation of a comprehensive marketing policy framework. The MA and PA collaborated with ministry staff to organize and present a marketing workshop in May oriented to expanding communication between farmers and traders. It marked the first time such an attempt had been undertaken, and was the first of several farmer/trader meetings used by the ministry to gain consensus for developing a domestic horticultural marketing system.

The PA assisted in formulating a ministry reorganization plan designed to combine all government-performed production and marketing activities into a separate branch, parts of which would be eventually transferred to the private sector. This would enable the ministry to strengthen its capability to operate effectively in the traditional areas of government work such as education, research, regulation, and protection.

APP advisors participated in the development of the following reports and papers prepared during the period:

1. Market Driven Vertical Integration a Means of Increasing Employment and Value Added by Expanding Production of Horticultural Products through Agro-Industrial Development, policy analysis paper defining the role of agribusiness in expanding production of horticultural products;
2. Marketing Fresh Fruits and Vegetables in Lesotho, A Description of the Current System and Implications for Production and Marketing, background paper describing the existing local and regional fresh produce marketing system;
3. Marketing System Models, Options for Marketing Horticultural Crops in Lesotho, presentation and discussion of seven marketing system models for distributing agricultural products;
4. Farmer's Participation in Agro-industries in Lesotho, Concrete Recommendations for Action, discussion of alternative forms of farmer participation in development of agro-industries;

5. A Village and Private Sector Development Programme to Promote Expansion of Agricultural Production, proposal to support development of alternative village and private sector production approaches;
6. Agricultural Marketing Policy for Lesotho, marketing policy discussion paper;
7. Agricultural Production and Marketing Policies and Management of Soil, Water, and Forestry Resources to Promote Increased Productivity and Improved Nutrition in Lesotho, ministry statement of policy objectives;
8. Some Basic Socio-Economic Issues and Social Welfare Considerations Relevant to Agricultural Development in Lesotho, MOA policy discussion paper;
9. Research Workshop to Come Up With a Reoriented Research Agenda, compendium of results from workshop to promote closer working relationships between the Research Division and the Extension Service;
10. Decentralization and More Successful Implementation of Agricultural Objectives, discussion paper of the organizational change process implemented by the MAG;
11. Goals and Objectives Management Analysis Unit, Ministry of Agriculture, suggested organizational form and staffing of the MAU;
12. Action Plan to Strengthen Ministry of Agriculture, compendium of recommendations from the MOA management workshop;
13. Needs Assessment MOA Registry, consultants report on registry assessment;
14. Summary of Activity, 12 December 1987 - 15 January 1988, report of short-term consultant Jim Richardson;
15. End-of-Tour Report, P. Langseth.

2. Contractual and Administrative Activities

Petter Langseth completed his tour of duty as MMA September 4, 1988.

Robert Olson's tour as MIA was extended from July 15, 1988 to December 31, 1988.

Richard Wahl was hired as a short-term consultant for an initial period from October 13 to December 12, 1987. The

assignment was extended by contract amendment for the period January 16 to December 18, 1988.

Jim Richardson was brought back to Lesotho as short-term computer specialist from December 12, 1987 to January 15, 1988.

Contract payment of salaries for local hire staff terminated March 31, 1988 in accord with the PIO/T of July 1987, and the technical assistance contract.

Filing cabinets for the MOA Registry were purchased with contract funds November 12, 1987.

Contract amendment no. 2 was processed May 13, 1988. This amendment incorporated new indirect cost rates in accordance with Chemonics' new NICRA, and extended the positions of Robert Olson and Richard Wahl.

Contract amendment no. 3 was approved June 20, 1988 obligating additional funds to the contract.

I. Project Implementation: October 1988-September 1989

The PA and MA completed their tours of duty on December 31, 1988, but the PA later returned for a short-term assignment. The ASC continued through August 31, 1989. His departure marked the termination of residential technical assistance under the APP II contract. Mrs. Morojele, the CPO and counterpart project director, was transferred to another ministry in December. T.J. Ramotsoari assumed the position of director of the Department of Economics and Marketing. J.L. Mokotjo was appointed head of the Marketing Division in the department. Both officers had worked closely with expatriate project staff throughout the LOP.

1. Technical Activities of the Team

The PA and MA were both associated with completion of the commodity marketing analyses initiated by the task forces appointed earlier in the year. These studies, heavily dependent on local staff input, were completed in December. Commodities included were cereal grains, fresh vegetables, meat (mutton, beef, poultry), pond fishery, forest products, wool and mohair, hides and skins, milk and other dairy products, and input supplies.

All work on developing computer-assisted recurrent price data was completed in an OJT mode, with local staff trained in its use.

The PA completed a major analysis of wool and mohair marketing as MOA input to a government-wide review of proposed changes to the existing system.

The organizational and schemes of service review of the Nutrition Division, including district staffing and performance expectations was completed by the ASC. It included evaluation of all existing job descriptions with actual duties performed, development of new scopes of work for the division and for each staff member, and preparation of new staff housing plans. A similar review of the Department of Economics and Marketing was requested by the new director. It was only partially completed by the time of APP II technical assistance closeout.

The initial model accounts preparation program was expanded to include all divisions. Review of the existing system revealed that the GOL did not set capital budget targets, making it impossible to implement an accounts management program for this area of expenditures. The new program anticipated imposition of capital budget targets and integrated recurrent budget, revenue, and capital expenditures. The program provides a pragmatic approach to automation. Data are received at headquarters from 11 accounting units. As the first step, the program requires operator input of data from each unit with the program providing error checks and account consolidation into a single set of reconcilable statements. The program also integrates personnel codes consistent with those used by the personnel records system. A local computer consulting firm was retained to do the programming to provide followup support services.

Transfer of the Research Library volumes to the Library of Congress system was completed. A computerized cataloging procedure was introduced and five staff trained by the ASC.

A major emphasis was on use of local firms to carry out MOA staff training in word processing and spreadsheet analysis. The ASC developed a coordinative curricula training approach working closely with local computer training staff to personalize training programs to meet the students' work application needs. Twelve professional staff were trained in appropriate spreadsheet analysis techniques. Twelve secretaries were trained in basic word processing, 11 in advanced word processing. Twelve administrative personnel were trained in records management and office communications, three mid-level staff received training in personnel management. Four junior accounting staff received basic accounts training.

Successful completion of the review of the Nutrition Division led to requests from other units for similar standardization of job classifications. In response to these requests, the ASC initiated a review of all MOA establishment positions to provide consistent job classifications. This activity was completed for 345 job classifications which represented 2,108 employee positions. (The ministry has 509 classifications representing 2,714 positions.) Through unification of the job descriptions, similar positions and grades

were given like qualifications and responsibilities. The MOA assigned one permanent staff member to the MAG and individual divisions allocated short-term counterpart staff to assist in developing a consistent list of MOA establishment positions.

The MPIS system was updated during the period and information adapted to correspond with that maintained on personnel records. New work screens were added to integrate information from the different record centers. At the closeout of long-term technical assistance, over half the establishment personnel records were entered in this tracking system. Development of the system was coordinated with the Department of Personnel Services. The system, when complete, can provide important planning information to the ministry as it enables annual budgets and plans to be made based on consistent personnel and financial control records. Currently, because financial and personnel records are not synchronized, personnel counts are developed from scratch each year and constitute the major burden in developing annual budget projections.

The ASC provided system support for computers located in the Administration, and Economics and Marketing Departments and trained local staff in this work. He also accumulated all non-DOS compatible computers and peripheral equipment purchased earlier by the ministry and traded them for two new DOS computers and printers.

At the request of the minister, the PA returned to Lesotho for a four-month assignment from April to July as part of a study team to evaluate specific agro-industries and make recommendations for their transfer to the private sector. This assignment was financed with remaining LOE and funds in the APP II. The other members of the team were funded by the FAO.

As a member of the study team, the PA completed a cost and return analysis of the major group horticultural projects supported by the MOA, and an organizational analysis of the cooperative movement was completed. Recommendations addressed the potential role of the cooperative movement in input and product marketing, as a farmer/producer bargaining representative with agribusinesses buying farmer produce, and as a principal farmer education and extension organization.

The marketing system for all major agricultural products was described and evaluated. Recommendations for an integrated agribusiness-led dairy industry, with farmer participation, were made. Reorganization of the poultry industry along agribusiness lines were set forth which involved leasing of the government-owned hatchery to the private sector.

Reports and papers completed during the period in which project staff were involved included:

1. Agricultural Marketing Policy for Lesotho, a compendium of policy discussion and policy analysis papers covering all major commercially grown agricultural products in Lesotho;
2. Administrative Systems Consultancy January 18-December 16, 1988, a comprehensive summary of all consultancy work completed by the ASC during the identified period. Includes detailed job descriptions and organizational charts for MOA departments and divisions;
3. Technical Report: Financial, Management, Organizational, and Operational Review of Agro-Industries Operated as Projects Under Ministry of Agriculture, main report of the Agribusiness Study Mission;
4. Poultry Hatchery, Cold Store, and Pullet Rearing, annex 3 of the Agribusiness Study Mission;
5. Milk Processing Plant and Collection Centres, annex 4 of the Agribusiness Study Mission;
6. Irrigated Farms and Irrigation Equipment, annex 6 of the Agribusiness Study Mission;
7. Cooperative Role in Agro-Industrial Development, annex 10 of the Agribusiness Study Mission;
8. Marketing Agricultural Products Grown in Lesotho, annex 11 of the Agribusiness Study Mission;

2. Contractual and Administrative Activities

The PA and MA completed their tours of duty on December 31, 1988. End-of-tour reports were prepared by both advisors.

The ASC completed his tour of duty on August 31, 1989.

The home-office project administrator, Lyrae Johnson, visited Lesotho in August 1988 to complete closeout of long-term contract activities. She and Richard Wahl worked together to prepare final commodity inventories and transfer commodities, close bank accounts, and settle all outstanding charges against the advisors and the APP contract.

Project amendment no. 4 was approved October 28, 1988 to increase the level of obligated funds.

Project amendment no. 5 was approved April 28, 1989 to modify contract line item totals included in amendment 4.

Project amendment no. 6 was approved July 11, 1989 to correct the Goods and Allowances line item total.

J. Project Implementation: October 1989 to Present

At the time of technical assistance closeout (September 1989) under APP II, the contract had approximately eight person-months of short-term technical assistance remaining, and approximately \$1,875,367 in unexpended funds. The returned PA/TL and new project supervisor, David Dupras, collaborated on a short proposal to USAID regarding productive use of the remaining LOE and funds. Chemonics suggested several options including follow-up to the administrative systems work of Richard Wahl, a feasibility study to develop local production options to produce seed for processing in a new private sector certified seed processing plant, and development of an action plan to promote development of agribusiness led agricultural production and marketing enterprises.

USAID/Lesotho decided against use of the APP II contract for further provision of short-term services and directed the contractor in February 1990 to proceed with preparation of the final report. We understand that it is the intention of USAID to abrogate remaining APP II contract funds and to closeout the contract before its scheduled termination date of July 1990.

SECTION III

FINANCIAL OVERVIEW

A. APP-I

The final invoice for the APP-I technical assistance contract appears on the following page. The total contract budget was \$3,086,600, but funds obligated to the contract through amendment no. 3 were \$2,730,000. Of this amount, \$2,699,614.30 was expended. Expenditures represent 88 percent of budgeted contract funds, and 99 percent of obligated funds. Furthermore, of the 300 person-months estimated as level of effort, 208 person-months of service were provided under the contract.

B. APP-II

While the final invoice has not yet been submitted for phase two, an estimated final invoice shows that of \$2,035,972 budgeted and obligated to the APP-II contract through amendment no. 5, \$1,883,513.44 will have been expended. Total expenditures represent 93 percent of the contract budget. In addition, 121 of 130 estimated person months (or 93 percent) will have been supplied under the contract.

This estimated final invoice appears on page 47. It is dated March 31, 1990, but may not be submitted until the following month or after, so as to include all outstanding charges associated with preparation of this final report.

TO: Controller
USAID/Lesotho
Washington, DC 20520

FINAL VOUCHER
SUPPLEMENTAL

and

Office of Financial Management
Agency for International Development
1875 Connecticut Avenue
Washington, DC 20523

Contract No. 632-0218-C-00-1009-00
PIO/T No. 632-0218-3-00662 & 10033
Appropriation No. 72-1101021-3 & 72-1111021-3
Allotment No. 043-50-632-00-69-01
143-50-632-00-59-11

Date of Invoice: May 31, 1988

Invoice No. L-63S

INVOICE

For: Services pursuant to the contract between the USAID/Lesotho and Chemonics International Consulting Division for the Agricultural Planning Project.

	Budget	This Invoice 5/31/88	Invoiced through 5/31/88	Remainder
I. Salaries & Fringe	\$1,192,238	(.11)	1,011,720.49	180,517.51
II. Overhead	688,172	(404.51)	746,215.51	(58,043.51)
III. Travel, Transportation and Storage	418,691	0.00	286,497.26	132,193.74
IV. Allowances	257,757	0.00	202,986.62	54,770.38
V. Insurance and Other Direct Costs	238,564	0.00	193,543.53	45,020.47
VI. Equipment	5,601	0.00	2,174.93	3,426.07
VII. G & A	141,577	(1,374.76)	112,475.96	29,101.04
VIII. Fixed Fee	<u>144,000</u>	<u>0.00</u>	<u>144,000.00</u>	<u>0.00</u>
TOTAL	\$3,086,600	(1,779.38)	2,699,614.30	386,985.70

Obligated Amount 2,730,000 as of Amendment 3.

ESTIMATED FINAL INVOICE

TO: Controller
 USAID/Lesotho
 Washington, DC 20520

Contract No. 632-0218-C-00-6001-00
 PIO/T No. 632-0218-3-30170
 Appropriation No. 632-0218-3-50059
 Allotment No. 72-11S1021.3

and

Office of Financial Management
 Agency for International Development
 1875 Connecticut Avenue
 Washington, DC 20523

Date of Invoice: March 31, 1990

Invoice No. L/APP-43
 ESTIMATED FINAL INVOICE

INVOICE

For: Services pursuant to the contract between the USAID/Lesotho and Chemonics International Consulting Division for the Agricultural Planning Project.

	Budget	This Invoice 3/1-3/31/90	Invoiced through 3/31/90	Remainder
1. Salaries & Wages	611,759	1,400.00	563,499.17	48,259.83
2. Fringe Benefits	100,694	241.50	92,635.08	8,058.92
3. Overhead	560,171	1,633.12	515,836.39	44,334.61
4. Travel, Transportation & Storage	142,652	0.00	119,688.77	22,963.23
5. Allowances	194,545	0.00	164,469.89	30,075.11
6. Insurance & Other Direct Costs	140,977	1,950.37	158,781.20	(17,804.20)
7. Equipment & Commodities	69,158	0.00	63,870.24	5,287.76
8. Training	64,075	0.00	62,752.95	1,322.05
9. General & Administrative	<u>37,681</u>	<u>104.50</u>	<u>34,830.64</u>	<u>2,850.36</u>
Total Costs	1,921,712	5,329.49	1,776,364.33	145,347.67
10. Fixed Fee	<u>114,260</u>	<u>316.88</u>	<u>107,149.11</u>	<u>7,110.89</u>
Grand Total	2,035,972 ¹⁾	5,646.37	1,883,513.44 ²⁾	152,458.56

\$2,035,972 obligated as of amendment 5, 4/28/89.
 93 percent of obligated funds expended.

SECTION IV

LESSONS LEARNED AND RECOMMENDATIONS

Chemonics' eight years of technical assistance under the APP has provided an opportunity to learn lessons useful in the design and implementation of similar or potential follow-on projects. Below, the most important lessons and resulting recommendations are briefly discussed.

A. It's Okay to Involve Policy Advisors in Staff Analysis

The role of the advisor was an issue in the APP project from its inception. The GOL was accustomed to working with OPEX personnel who served as integrated ministry staff, rather than advisors. The MOA PD in particular had had a negative experience with LASA advisors who undertook only highly technical, research and advisory work. Although the PD, in the project agreement, had agreed to an advisory team for APP, in fact they wanted a hybrid between operational support and technical advice.

This became a serious issue for USAID and the contractor, and at one point USAID insisted on the MOA creating a special assignments unit to contain all of the day-to-day "brushfire work," thus freeing up the advisors for their technical work. Although MOA senior management agreed on paper to create this unit, it was never made operational because MOA did not understand its need or purpose.

The contractor's viewpoint on this issue matured and evolved over time, and we now realize that it was essential for policy and planning advisors to undertake some of this administrative workload that we have termed "staff analysis" for several reasons: it built trust and confidence between advisors and counterparts, it taught advisors the "mechanics" of the policy formulation and implementation process, and it allowed advisors to gain credibility with MOA policy officials and counterpart staff in technical departments with whom they worked. It is important for advisors, as a team and individually, to find the appropriate balance between advisory activities and day-to-day operational support.

We recommend that the design of future policy and planning projects accept a reasonable amount of operational assistance by advisors, include this in the job description, and recruit advisors who can achieve a good balance between staff analysis and longer-term research activities.

B. Institution Building Must be Supported by Organizational and Management Resources

The APP project included an organizational and management specialist (MMA) in the original design, but the role and scope of assistance by this advisor of the MMA was not clearly defined at the start of the project. The project paper viewed the MMA as working exclusively within the PD, addressing the management and personnel administration issues as the unit developed. The MOA viewed the advisor as ultimately relating to broader, ministry-wide organizational and management activities. MOA initially defined the role as primarily assisting with training programs and handling logistics associated with identifying and placing potential candidates for project supported training programs.

Institution building is about defining and managing institutional change. It requires an understanding of management and organizational processes and procedures that permeate the entire institution. Thus, as APP developed, it became apparent that the MMA could not limit his assistance to one small unit within the broad MOA structure. The successive MMAs gradually expanded their scope of work to provide assistance in organizational analysis, development of personnel management systems, and standardizing personnel and financial record keeping systems. An informal MAG was organized and local counterpart staff were identified on a task-by-task basis to assist in conducting organizational and management activities on a ministry-wide basis. An MPIS was developed that became a model for other ministries.

Our experience leads us to recommend that organizational and management activities be incorporated as an important component of all projects in which institution building is a major objective. Ideally, this should be within the context of a management analysis unit that reports directly to the highest ranking civil servant in the ministry. And, the scope of this management analysis unit must be the entire ministry in which the targeted unit is housed.

C. Qualified Professional Staff Should Support Institution-building Objectives

As part of the project agreement, the MOA hired six recent B.S. graduates from the NUL. All had graduating qualifications of second class first division pass (British grading system). All successfully completed M.S. degrees in agricultural economics in the United States with a grade point average of 3.4 or higher. When the PA completed his tour of duty in December 1988, three of these staff had been promoted to positions as head of the newly organized Economics and Marketing Department, chief marketing officer, and senior planning officer, respectively. In these

leadership roles they provided continuity to the policies and analytical techniques developed and promoted by APP advisors. This was one of the most important accomplishments of the project.

Based on the successful transfer of authority to younger officers and the subsequent continuity of APP-developed techniques and policies, we strongly endorse the original project design that committed the MOA to hiring new professional staff in fulfillment of the institutional development objectives. In projects such as the APP where there is an expectation of major institutional development and change, it is essential that capable younger staff be identified at the outset who can be trained and developed to carry on project objectives after formal donor support is withdrawn.

D. Advisors Need to Work with Multiple Counterparts

The project required that each advisor (except for the MMA) have a designated local counterpart. In practice, we discovered that the most effective way to transfer technical knowledge and strengthen the analytical capacity of local staff was by interacting with all PD and technical division staff on a task-by-task basis. Much analysis was conducted within a task force context in which advisors interacted with local professional staff on a specific technical assignment. Here, advisors were able to interact in a colleague relationship with a large number of younger professional staff who were able to benefit from their experience.

Planning and policy projects provide expatriate advisors with opportunities to interact technically with a large number of local staff. Such contact can extend the influence of the advisors and the project. In practice, the assigned counterpart, who was either head of a technical section in the PD or the Chief Planning Officer, provided an important administrative contact point rather than the primary target of a technology transfer process. Although technical assistance was often provided at this level, the formal counterpart linkage was most useful in developing operational plans and promoting advisor involvement in policy dialogue.

Consequently, we recommend that future design of policy projects recognize the importance of developing professional relationships among local staff as a means of furthering technology transfer and promoting policy dialogue. Job descriptions of advisors should include requirements to develop such relationships with local staff as well as their primary counterpart.

E. Bonding Returned Trainees is Important for Institution-building Projects

The project sponsored long-term training of selected local staff to the M.S. level. The project agreement specified that returning participants were to be bonded to the PD for a minimum two-year period to meet institution-building objectives. The MOA fully supported the bonding requirements, but problems were encountered at the general government level. The government felt that bonding requirements could be met if the trained individuals remained within the government system, with final decisions regarding placement made by the Office of the Manpower Secretariat.

The problem arose in part because of the unusually large amount of training available for MOA staff relative to the rest of government, and in part because OPEX training provisions gave placement discretion to the Manpower Secretariat. Under APP the bonding question was resolved to some extent by permitting staff from associated departments outside the PD to be trained with project funds. Under this compromise, some staff from the Bureau of Statistics and Central Planning were trained.

We believe it is important that staff of a targeted administrative unit be bonded to that unit on return from long-term training. Without such a requirement, institutional development cannot take place. However, it is understandable that host governments want to maximize training opportunities and placements for capable staff in other ministries, where donor priorities may not be so high. A compromise whereby a minimal number of staff outside the target organizational unit become eligible for long-term training could provide the basis for a workable arrangement.

F. We Need to be Realistic About Host Government Participation in Project Management Structures

In countries like Lesotho, which has a limited number of senior administrative staff, mandatory participation on project management committees results in frequent rescheduling of project sanctioned management meetings and limited involvement of assigned administrators.

Most senior administrators attend project management meetings on an as-needed basis. They receive project information from executive summaries of evaluation reports or by briefings from technical staff or subordinate administrators. However, it remains important that official decision-making committees, involving senior donor and host-country officials, be designated in the project agreement. In reality, the meetings rarely provide an effective forum to resolve serious issues. Rather, they most often serve to formalize decisions that have already

been approved informally by respective parties or to express results of evaluations or areas of disagreement.

Based on experience gained from APP and similar projects, Chemonics believes that the essence of successful project management is mutual respect between formal representatives of the donor, the host government, and the contractor, each operating at their respective administrative level. Thus, it is important that all parties work to maintain effective communication between the contractor COP, the host-country project director, and the responsible USAID project officer, as well as at the mission director, home-office representative, and the principal secretary levels.

Recognizing the importance of communication within each organization, as well as among representatives of cooperating agencies, we recommend that formal project management structures be simplified as much as possible. For planning and policy projects similar to the APP, the effective "Project Management Committee" could be limited to the contractor, COP, the host-country project director, and the USAID project officer. This committee would address all management and related issues and be responsible for developing initial recommendations regarding changes in the project scope of work, project staff changes, etc.

In practice, management issues that cannot be resolved at this level are referred to immediate supervisors, either formally or informally. In the case of the APP, this would be the mission director, the principal secretary, and the contractor home-office project supervisor. We believe that this group could be designated a "Project Management Supervisory Committee" to meet only as needed to address issues not effectively handled by the PMC or when signatures are required on official documents.

The intent of this recommendation is to minimize the need for public meetings of senior officials of cooperating agencies to address vexing management or policy issues. There are usually more appropriate informal ways of handling such issues.

In addition to the two management committees suggested above, there are times when project briefing meetings can be useful in updating members of the PMSC on results, problems, future plans, etc. It is beneficial that such project briefings be required on a recurrent basis, perhaps semiannually, allowing technical staff to interact with management regarding their work and activities. We recommend that such technical meetings be required on a semiannual basis as part of the on-going project planning process.

Members of the PMSC and other ministry and USAID officials would be invited to these meetings. The meetings could take on the form of a retreat, where technical staff could interact with

project management staff in a relatively non-threatening environment. There would be no expectation that decisions would be taken at such meetings or that issues requiring decisions would be brought up. However, such a forum could provide an opportunity for cooperating agencies to discuss issues of interest where differing opinions exist. They would also give junior PD staff an opportunity to actively participate in the project planning process.

G. Project Designs Should Recognize Existing Host-country Organizational Structures and Needs

Marketing was not included in the original APP design because USAID felt that the marketing activity "should" be spun off from PD. But, MOA did not intend to spin off the marketing functions of the PD, so the project's scope was designed to address only part of the PD's mandate. In the first two years of APP, Chemonics' team had no advisor assigned to marketing, and the contract was not supposed to address marketing issues. In practice, much of the fundamental work of the PD (commodity pricing, for example) involved marketing issues.

The marketing section came under the scope of the project after two years and a marketing advisor was added to the team. This area subsequently became one of the most important components of the project.

As USAID had assigned an OPEX marketing advisor to the marketing section of the PD and marketing issues provided the basis for many ongoing policy issues, its exclusion from the project scope was somewhat artificial and based on assumptions unrealistic to the organizational realities within MOA.

Consequently, it is advisable that future projects provide technical assistance based on a realistic assessment of host-country organizational structures and needs rather than hoped-for changes that do not have the concurrence of the host country.

H. Project Objectives Need to be Compatible with Organizational Objectives

Chemonics' experience with APP and with implementation of similar projects in other former British colonies indicates a difference between the British legacy and ideal project objectives based on American planning and analysis approaches. British policy development approaches tend to minimize reliance on technical expert analysis. They are based on interaction of a small group of elite generalist managers who presumably can be transferred from one technical ministry to another, regardless of subject matter requirements. Under this management philosophy, planning departments in line ministries, such as agriculture, focus primarily on project and policy management rather than on

project or policy development. Consequently, information systems are developed around management rather than development needs. The MOA in Lesotho was structured in accordance with the British legacy, while APP objectives were geared to American planning and analysis approaches.

The least successful part of APP was in the project development area. Our advisors became very frustrated that they were expected to address day-to-day project management, not project development issues. When they were asked to work with project development issues, it was generally to justify decisions already made by senior ministry or government officials. As a result of this disappointing experience, the project formulation advisor was not replaced during APP II.

Similarly, the original focus of the statistics section was survey data collection for use by the project formulation and monitoring section. This focus conflicted with the mandate of the Bureau of Statistics. Here the advisor changed the section objective to collation of secondary data for use primarily in staff analysis for policy development, including commodity price analysis. Once the objective was changed from data collection to data collation and analysis, a working arrangement was easily reached with the Bureau of Statistics to share and publish data collected by that agency. This shift also enabled the project to focus on providing OJT to PD staff in relevant technical analysis rather than continue to massage data for use in project monitoring activities.

The refocus of project activities to expanded policy and commodity analysis also justified greater PD involvement in substantive staff analysis of direct value to senior-ministry and government officials. As a result, the role of the PD became more essential to senior management dealing with policy development and commodity price decisions as they realized the importance of sound technical staff analysis to these decision processes.

We recommend that future policy and planning project designers carefully gauge envisioned project outputs to be compatible with existing organizational objectives of the implementing unit. If project outputs are out of sync with organizational objectives, one or the other needs to be modified, preferably at the design stage. Alternatively, flexibility to modify project outputs, or to engage in organizational change activities, needs to be built into project implementation.

I. Followup to APP I and II: Where Do We Go From Here?

Expanded marketing of Lesotho produce is an important common objective of the GOL and USAID. APP advisors were effective in promoting formation of the Department of Economics and

Marketing, and in developing the marketing policy, regulation, and information functions of that department. Additional work is required.

We suggest that future institution-building efforts in the Department of Economics and Marketing be targeted to strengthen a marketing division organized around commodity groupings: livestock, dairy, and poultry; horticulture; field crops; and inputs. Market pricing and policy and regulatory decisions now residing in other MOA technical departments need to be brought within the scope of the marketing division. Staff training and development is required in preparation of recurrent commodity marketing reports and analysis of marketing policy issues.

A necessary component of a follow-on project is development of a computer-based information system to provide ongoing data collection and preparation capability. This system is required to generate accurate analysis of commodity marketing activities in support of price setting for commodities where prices are gazetted and to provide an analytical basis for preparing commodity marketing regulations. Since Lesotho is a very open economy, quantifying trade flows and prices on a recurrent basis, especially with the RSA, is an important component of such a system. Some working arrangement with the Customs Department is required as only gross value data is now collected regularly. In addition, domestic marketing information, prices, quantities, and seasonal flows need to be accumulated and analyzed.

An institution-building project with objectives to incorporate the above activities can be supported by two expatriate advisors: one to address development of data handling and analysis objectives, the second to address policy and pricing objectives. If specific expansion of a particular commodity or crop is a USAID objective, this could be easily accommodated by inclusion of a separate objective and advisor to promote development of the identified commodity market. In this way public sector information, analysis, and regulatory activities can be kept separate from market development activities, which we believe are best developed within a private sector context.