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**A.I.D. Grant Agreement No. 91-632-2**  
**A.I.D. Project Number 632-0228**

**PROJECT  
GRANT AGREEMENT**  
**between**  
**THE KINGDOM OF LESOTHO**  
**and the**  
**UNITED STATES OF AMERICA**  
**for the**  
**COMMUNITY NATURAL RESOURCE MANAGEMENT**  
**PROJECT**

**Dated: June 27, 1991**

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**PROJECT GRANT AGREEMENT**

Dated: June 27, 1991

Between

The Kingdom of Lesotho ("Grantee")

and

The United States of America, acting through the  
Agency for International Development ("A.I.D. ").

**Article 1: The Agreement**

The purpose of this Project Grant Agreement ("Agreement") is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the project described below ("Project"), and with respect to the financing of the Project by the Parties.

**Article 2: The Project**

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of assistance to the Grantee designed to establish effective community grazing associations which will manage rangelands at sustainable carrying capacities for livestock. Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed. It is anticipated that, subject to the provisions of this Section, A.I.D.'s total contribution to this Project will be U.S. \$14,086,000.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

### **Article 3: Financing**

**SECTION 3.1. The Grant.** To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement an amount not to exceed One Million Five Hundred Thousand United States ("U.S.") Dollars (\$1,500,000) ("Grant"). The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2, of goods and services required for the Project.

#### **SECTION 3.2. Grantee Resources for the Project**

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by the Grantee for the Project during the life of the Project will be not less than the equivalent of U.S. \$6,352,000, including costs borne on an "in-kind" basis.

#### **SECTION 3.3. Project Assistance Completion Date**

(a) The Project Assistance Completion Date ("PACD"), which is June 26, 2001, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed or goods furnished subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank referred to in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

### **Article 4: Conditions Precedent to Disbursement**

**SECTION 4.1. First Disbursement.** Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of any documentation pursuant to which any disbursement may be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

(a) a written statement setting forth the names and titles of those persons in the Government of the Kingdom of Lesotho who are authorized to sign Project documents and communications, together with a specimen signature of each such person specified in such statement;

(b) an opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms; and

(c) a written commitment that all Basotho who are provided long-term training under the Project will return to work directly in the Project's activities for a period of not less than two years for every year of training, unless A.I.D. otherwise agrees in writing.

**SECTION 4.2. Notification.** When A.I.D. has determined that the conditions precedent specified in Section 4.1 have been met, A.I.D. will promptly so notify the Grantee.

**SECTION 4.3. Terminal Dates for Conditions Precedent**

If the conditions precedent specified in Section 4.1 have not been met within ninety (90) days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Grantee.

**Article 5: Special Covenants**

The Grantee acknowledges that failure to comply with the covenants set forth herein may require A.I.D. to exercise its right to terminate this Agreement pursuant to Article D of the Standard Provisions in Annex 2 of the Project Agreement.

**SECTION 5.1. Project Evaluation.** The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and/or at one or more points thereafter:

- (a) evaluation of progress towards attainment of the objectives of the Project;
- (b) identification and evaluation of problem areas or constraints which may inhibit such attainment;
- (c) assessment of how such information may be used to help overcome such problems;  
and
- (d) evaluation, to the degree feasible, of the overall development impact of the Project.

**SECTION 5.2. Counterpart Resources.** The Grantee agrees to provide on a timely basis all personnel required for implementation of the Project. The Grantee guarantees that the level of resources for staff and other local costs, as described in Annex 1 to the Project Agreement, will be available throughout the life of the Project. The Grantee further agrees to notify A.I.D. in writing if other donors request Directorate of Livestock Services assistance to establish Range Management Areas (RMAs) and agrees to coordinate with

A.I.D. to assure that resources specifically allocated to this Project will not be committed or provided to another donor for establishing an RMA or for other related activities which would compete for Grantee resources. In addition, the Grantee agrees to consult and coordinate with A.I.D. regarding any RMA or related activities undertaken in areas adjacent to or otherwise near to the areas involved in this Project. Finally, the Grantee covenants not to permit, and to use its best efforts to prevent, any of the above stated activities from being undertaken if A.I.D. has stated in writing to the Grantee that such activities will jeopardize the effectiveness or success of this Project in a substantial and material degree.

**SECTION 5.3. Grazing Fee Receipts.** The Grantee agrees to assist Grazing Associations (GAs) established under this project, or the Land Conservation and Range Development and Lesotho Agricultural Production and Institutional Support Projects, to receive within one month of collection by the Village Development Councils (VDCs), the percentage of grazing fees paid to VDCs which are due the GAs under the National Grazing Fee regulations. Further, the Grantee agrees that it will not amend the National Grazing Fee regulations in a manner which will in any way diminish to less than 50 percent the amount of grazing fees due to GAs. These fees are collected by VDCs for areas within RMAs and are paid to GAs managing those areas.

**SECTION 5.4. Bonding Agreement.** The Grantee agrees to enter into a standard written loan bursary scheme agreement (hereinafter "bonding agreement") with each of its employees who receives long-term training abroad funded under the Project. Said agreement shall be signed by both the trainee and the Grantee. The Grantee agrees to closely monitor all aspects of the bonding agreement. In the event the Grantee does not take all reasonable actions to remedy any violation of any of such agreements, the Grantee shall be responsible to repay to A.I.D. any costs of training due under the particular bonding agreement, unless A.I.D. agrees otherwise in writing.

**SECTION 5.5. Selection of Training Candidates.** To assure securing the most qualified training candidates, the Grantee shall use an appropriate competitive process, approved in writing by A.I.D., for the identification and final selection of candidates for long-term training under the Project.

**SECTION 5.6. Vehicle Use and Security.** The Grantee will assure that all vehicles and equipment procured for the Project will be used exclusively for the Project and that said usage shall be carefully monitored and controlled under a plan to be agreed upon with A.I.D. The Grantee further agrees to take all reasonable measures to assure the physical security of equipment and vehicles purchased under the Project and quartered in or on Government premises.

**SECTION 5.7. Recurrent Costs.** The Grantee agrees to include in its Recurrent Cost Budget for the year following the Project Assistance Completion Date sufficient funds to cover the recurrent costs for the continuation of Project activities.

**SECTION 5.8. Continued Compliance.** The Grantee shall not in any way discontinue, reverse or otherwise impede any action it has taken in satisfaction of any condition precedent to disbursement set forth herein, except as mutually agreed to in writing by A.I.D. and the Grantee.

**Article 6: Procurement Source**

**SECTION 6.1. Foreign Exchange Costs.** Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having, with respect to goods, their source and origin, and with respect to services, their nationality, in the United States, Lesotho or any other country included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services ("Foreign Exchange Costs"), except as provided in Annex 1 to this Agreement or as A.I.D. may otherwise agree in writing, and except as provided in Annex 2, the Project Grant Standard Provisions, Section C.1 (b), with respect to marine insurance. Ocean transportation costs will be financed under the Grant only on vessels under flag registry of the United States, except as A.I.D. may otherwise agree in writing. All other goods and services for the Project financed under the Grant shall have their source, origin or nationality, as the case may be, in the United States to the maximum practicable extent.

**SECTION 6.2. Local Currency Costs.** Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having, with respect to goods, their source and origin, and with respect to services, their nationality, in the United States, Lesotho or any other country included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services ("Local Currency Costs"), except as provided in Annex 1 to this Agreement or as A.I.D. may otherwise agree in writing. To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

**Article 7: Disbursement**

**SECTION 7.1. Disbursement for Foreign Exchange Costs**

(a) After satisfaction of relevant conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or (B) requests for A.I.D. to procure commodities or services on the Grantee's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts, (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for goods or services.

(b) Banking charges incurred by the Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless the Grantee

instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

**SECTION 7.2. Disbursement for Local Currency Costs**

(a) After satisfaction of relevant conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Local Currency Costs of goods or services required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained by acquisition by A.I.D. with U.S. dollars by purchase or from local currency already owned by the U.S. Government.

The U.S. dollar equivalent of the local currency made available hereunder will be the amount of U.S. dollars required by A.I.D. to obtain local currency.

**SECTION 7.3. Other Forms of Disbursement.** Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

**SECTION 7.4. Rate of Exchange.** Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into the Kingdom of Lesotho by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of Lesotho at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the Kingdom of Lesotho.

**Article 8: Miscellaneous**

**SECTION 8.1. Communications.** Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telex, telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following addresses:

To the Grantee:

Mail Address: Ministry of Agriculture, Cooperatives and Marketing  
P. O. Box 24  
Maseru, Lesotho

To A.I.D.:

Mail Address: USAID/Lesotho  
P. O. Box 333  
Maseru 100, Lesotho

Alternate address for fax: 310284

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All such communications will be in English unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

**SECTION 8.2. Representatives.** For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of the Principal Secretary, Ministry of Agriculture, Cooperatives and Marketing, and A.I.D. will be represented by the individual holding or acting in the office of Director, USAID/Lesotho. By written notice, the foregoing individuals may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

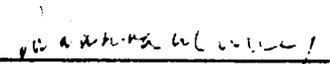
**SECTION 8.3. Standard Provisions Annex.** A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

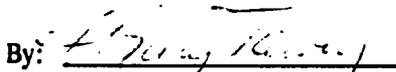
IN WITNESS WHEREOF, the Governments of the Kingdom of Lesotho and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

**THE UNITED STATES OF AMERICA**

**THE KINGDOM OF LESOTHO**

By:   
Leonard H. O. Spearman  
Title: Ambassador  
U.S. Embassy/Lesotho

By:   
Honorable Abel Leshele Thoahlane  
Title: Minister of Finance,  
Planning, Economic and  
Manpower Development

By:   
F. Gary Towery  
Title: Director  
USAID/Lesotho

Project: 632-0228  
Appropriation: 72-111/21014  
Budget Plan Code: GSS1-91-21632-KG13  
Allowance: 181-50-632-00-69-11  
Amount: \$1,500,000

Funds Available : *Agnes Jelene*  
Controller, USAID/Lesotho

Clearances:

PDO: JDuRette: *JK*

S/ADO: CAReint'sma: *cr*

ADO: CEMcIntyre: *cm*

RLA: Draft: TRiedler: 3/19/91

RLA: Revised: DKeene: 5/6/91; cleared faxed final draft  
by telephone, 6/26/91

## **AMPLIFIED PROJECT DESCRIPTION**

### **COMMUNITY NATURAL RESOURCE MANAGEMENT PROJECT** **(632-0228)**

Except as specifically provided herein and within the limits of the definition of the Project as set forth in Section 2.1 of the Agreement, elements of this Amplified Project Description may be changed by written agreement of the authorized representatives of the parties named in Section 8.2 of this Agreement without formal amendment of this Agreement.

#### **ARTICLE I. - Summary Project Description**

A. Background. The most widespread and evident environmental problems of Lesotho are directly or indirectly related to imbalance between the numbers of animals on the rangelands and the capacity of the rangeland to support them. As a result, the quality of the rangeland resource is dropping. Up to 75 percent of all Basotho households own livestock. Their reasons include livestock's importance as an investment of earnings remitted from migrant labor, as a source of cash from wool and mohair, and its social and economic benefits (e.g. cattle provide fuel, meat and milk). Most of Lesotho's land is mountainous and not arable; therefore, livestock production is the best use to which Basotho agriculturalists can put the majority of their land.

The Grantee, (hereinafter referred to as the Government of Lesotho or GOL) recognizes that degrading rangeland loses its capacity to support livestock production and furthermore, that overgrazing causes soil loss and damage to infrastructure and arable land below. The GOL has established policies to improve rangeland management, notably in the 1989 National Environmental Action Plan and the 1990 National Livestock Policy Implementation Plan.

A.I.D. and the GOL have worked together in two previous projects to develop an approach which would simultaneously improve management of rangelands and increase livestock productivity by establishing Range Management Areas (RMAs). These are areas which are set aside for the exclusive grazing use of the villages they surround. With the assistance of the Range Management Division of the Ministry of Agriculture (MOA/RMD), the villages within an RMA organize themselves into a Grazing Association (GA). The association educates livestock owners about the economic and environmental benefits of improving their management of animal and rangeland resources. The GA also elects representative committees responsible for devising and administering grazing plans for the RMA.

Four RMAs and GAs have been organized since 1983. Improvements in both animal productivity from better nutrition and in the quality of the rangeland at the

longest established RMA demonstrate that the RMA approach promises both environmental and economic benefits to Lesotho. The RMA approach is integral to the GOL's National Livestock Policy Implementation Plan for the period 1990 through 2004. A.I.D. supports the RMA approach as one which responsibly and prudently manages natural resources in order to sustain the economic well being of Basotho people.

**B. Goal and Purpose.** The goal of the Community Natural Resource Management (CNRM) Project is to improve management of natural resources in Lesotho. The sub-goal is to restore and improve rangelands.

To achieve this goal, the purpose of CNRM is to establish effective community grazing associations which will manage rangelands at sustainable carrying capacities for livestock.

**C. End of Project Status.** The purpose will have been achieved if, by the Project Assistance Completion Date (PACD) of June 26, 2001:

1. CNRM, and the GOL agencies with which the project collaborates have developed procedures to effectively involve livestock owning communities in the formation of six new grazing associations for the management of RMAs, of which at least four will have become self-sustaining.
2. Participating livestock owners are financially better off through membership in the GA and they demonstrate their commitment to the RMA concept by assuming increased responsibility for recurrent costs;
3. Increasing numbers of livestock owners are participating in RMAs/GAs;
4. The capability for replicating RMA development will have been fully institutionalized within various government agencies and nongovernmental organizations; and
5. There is increased awareness among project beneficiaries of the long-term importance of managing natural resources at sustainable levels.

**D. Inputs and Outputs.** The project will focus on replicating six new RMAs. Towards this end, CNRM will provide technical assistance (TA), training, and commodities. A six-person TA team, consisting of host country and expatriate professionals, will work in close collaboration with the MOA/RMD to establish these new RMAs. The project will support training of government personnel and GA

officers and employees. The project will also assist with developing the RMA infrastructure.

This approach will differ from prior efforts in that considerably more emphasis will be placed on developing a strong commitment from the GA members to the RMA concept. Community organization will include project extension activities demonstrating the kinds of observable benefits which livestock owners who are members of previously organized GAs and RMAs are achieving. Such an approach will motivate the individual GA member's to participate in, and pay the fees associated with sustaining, the association. By the end of the project, these efforts should have resulted in the following outputs:

1. An estimated additional 180,000 hectares of rangeland will be brought under management of the RMAs.
2. Carrying capacity of RMAs will be increased.
3. Personnel skilled in range management and grazing association maintenance will be available in the rural communities.
4. The methodology for establishing viable and sustainable RMAs will have been refined and systems and trained GOL staff are available to replicate it.

E. Other Donor Coordination. Two other agencies, the Lesotho Highlands Development Authority (LHDA) and the European Economic Community (EEC), are currently contemplating support for new RMA developments. The LHDA proposes to establish two RMAs in areas adjacent to the reservoirs created by the Highland Water Project and to the existing Pelaneng RMA; in addition, the EEC is exploring the possibility of forming RMAs in the zone where the current EEC-funded Mphaki Project has been working.

On the basis of initial discussions among MOA, USAID and the other agencies (EEC and LHDA), there is a possibility of combining all RMA developments into a single co-funded project. If this approach goes forward, technical assistance might be provided through a single contract. A single TA contractor would help to establish a consistent approach to RMA development and efficiently use MOA's time in coordinating RMA development through three different donors.

At present, MOA and A.I.D. negotiations with neither LHDA nor the EEC have been completed. If negotiations with either or both agencies are successfully concluded, then provisions shall be made to prepare a project paper supplement and amend the Agreement to incorporate these new activities into CNRM.

## **ARTICLE II. - Responsibilities of Participants**

Through the CNRM Project, A.I.D. will provide (1) long- and short-term technical assistance, both expatriate and national, for replicating and expanding the RMA model and expanding geographical coverage under six RMAs; (2) assistance to the MOA for specialized studies including monitoring and evaluation activities; (3) support for training including development of the National RMA Training Center; and (4) assistance to new RMAs with basic infrastructure development. All technical assistance personnel will work in close collaboration with the GOL's Range Management Division at headquarters and in the field.

A.I.D. will be responsible for the direct procurement of vehicles and services for the TA contractor, evaluations and audits. The TA contractor will be responsible for procuring technical services, the majority of commodities and construction services. A.I.D.-financed procurement will follow U.S. Federal Acquisition Regulations, A.I.D. Acquisition Regulations and the appropriate A.I.D. Handbooks, including A.I.D. Handbook 1B on Procurement Policies, Handbook 14 on Procurement Policies, Handbook 15 on A.I.D.-financed Commodities, and Handbook 10 on Participant Training.

The GOL will be responsible for directing the establishment of six new RMAs, including extension activities to the livestock owners regarding range management and livestock production. The GOL will facilitate the legal process of recognition for the RMAs and their Grazing Associations. The GOL will also identify the six new RMA zones and will jointly develop with the TA contractor implementation plans for organizing and training the Grazing Associations. Additionally, the GOL will provide an interim RMA Advisor/Manager for each new RMA and will coordinate the training for permanent RMA managers who will be paid by the Grazing Association. Further, the GOL will monitor the effectiveness of the RMAs in improving livestock and range quality. Finally, the GOL will be responsible for selecting candidates for short- and long-term training who are well-placed to promote rangeland conservation and sustainable livestock production in Lesotho.

## **ARTICLE III. - Implementation Schedule**

The following implementation schedule sets forth the project actions to be undertaken, and the parties responsible for their performance, during the ten-year project.

<u>Action</u>	<u>Action Agent</u>	<u>Scheduled month/year</u>
Request For Proposal for TA Contract Published	USAID	7-9/91
Review of TA Proposals	USAID	10-12/91

<u>Action</u>	<u>Action Agent</u>	<u>Scheduled month/year</u>
Selection and Execution of the Technical Assistance Contract	USAID	10-12/91
Conditions Precedent Fulfilled	GOL	10-12/91
Project Vehicles Ordered	USAID	10-12/91
Arrival of TA Contractor Chief of Party	TA Contractor	1-3/92
Establishment of TA Contractor Project Office at MOA	TA Contractor	1-3/92
Baseline Survey	LAPIS* TA	1-3/92
Technical Assistance Advisors Arrived and Operational	TA Contractor	4-6/92
Transition from LAPIS TA Team to CNRM TA Team Completed	CNRM & LAPIS TA MOA & USAID	4-6/92
Team Building Exercise	Consultant CNRM/MOA/USAID	4-6/92
Two New RMAs Identified	CNRM & LAPIS TA, MOA & USAID	4-6/92
First Annual Work Plan and Strategy Statement (due annually 6/30) and Procurement Schedule	TA Contractor	4-6/92
Review of TA Contractor's Management Information System/Accounting	USAID	7-9/92
Placement of Peace Corps Volunteers	Peace Corps & TA Contractor	10-12/92
Prepare Training Schedule for MOA Staff	MOA, USAID & TA Contractor	10-12/92
First Quarterly Report (due 12/31, 3/30, 6/30, 9/30 annually)	TA Contractor	10-12/92
Commence Assistance to First Two RMAs	MOA & TA Contractor	1-3/93
First Non-Federal Audit	USAID	4-6/94

\*Lesotho Agricultural Production & Institutional Support Project

<u>Action</u>	<u>Action Agent</u>	<u>Scheduled month/year</u>
Two More RMAs Identified/Commence Assistance	MOA & TA Contractor	1-3/95
Interim Evaluation	USAID & MOA	10-12/95
Final Two RMAs Identified	MOA & TA Contractor	1-3/97
Second Non-Federal Audit	USAID	4-6/97
Project Impact Evaluation	USAID & MOA	1-3/00
Third Non-Federal Audit and Sustainability Review	USAID, Auditor	4-6/00
Departure of TA Team	TA Contractor	1-3/01
Project Assistance Completion Date	USAID	6/01

The main task of the Technical Assistance (TA) team is to provide operational support and on-the-job training leading to the establishment of new RMAs. The TA team will work through the Range Management Division (RMD) to identify and prioritize the new RMA areas. The TA team will develop their process of RMA formation incorporating and expanding upon the steps developed by the Range Management Division of the MOA under earlier A.I.D.-funded projects. It will be the responsibility of the TA team to continuously assess the progress being made by the local community in forming their grazing association.

The TA contractor will prepare an implementation plan for each RMA. The plan will be prepared in close collaboration with the GA Executive Committee and jointly formulated with the MOA/RMD to reflect the requirements of each individual RMA. The plan will identify specific activities and actions for the TA team, the GA and the MOA/RMD, and the sequencing of these events. The plans include a timetable negotiated with MOA/RMD which specifies RMD inputs, and when and how they will be phased out.

On an annual basis, the TA contractor will develop detailed workplans which will describe specific activities they will carry out during the year. The TA team will develop these annual workplans in consultation with the RMD and request approval by the RMD and A.I.D. The GOL will report annually on its contribution (cash and in-kind) to A.I.D. at the time it approves the TA contractor's annual plan. The TA team will submit quarterly progress reports to the RMD and USAID which indicate the level of accomplishment against the targets in the annual workplans.

Through its contract with the TA contractor, A.I.D. will finance short-term technical assistance as required to assist the MOA or with specialized studies and/or in-country seminars for MOA staff or courses at the National RMA Training Centre.

The GOL has requested and the Peace Corps has agreed to supply volunteers to provide specific technical skills on site during the initiation of new RMAs/GAs in the areas of community organization, non-formal education, business skills, and water resource development.

The project will fund in-country, regional, and a limited amount of overseas degree training. A.I.D. will finance equipment, funds for teaching materials and curriculum development, and operating costs for the first three and one-half years of the National RMA Training Centre's operations. The Centre is expected to be self supporting through collection of training fees thereafter.

A.I.D. will provide funds, on a cost-sharing basis with the respective GA, for the construction of basic infrastructure for the six new RMAs. Individual cost sharing arrangements will be worked out with each GA. The cost sharing will range between 5 to 15 percent of the construction costs and may be provided through in-kind contributions.

#### **ARTICLE IV. - Financial Plan**

The financial plan set forth in Table A below is illustrative. Changes may be made to the plan by representatives of the parties named in Section 8.2 of the Agreement without formal amendment to the Agreement, providing that such changes do not cause A.I.D.'s contribution to exceed the amount specified in the Agreement, Section 3.1.

**Table A**  
**ILLUSTRATIVE PROJECT FINANCIAL PLAN FOR A.I.D. FUNDING**  
**(Applications of Funding \$000)**

<b><u>Project Inputs</u></b>	<b><u>Cumulative Obligations</u></b>	<b><u>Future Years Anticipated</u></b>	<b><u>Total</u></b>
Technical Assistance	1,100	7,891	8,991
Training	75	873	948
Commodities	125	462	587
Local Costs	100	1,836	1,936
Construction	0	883	883
Evaluation & Audit	<u>100</u>	<u>641</u>	<u>741</u>
<b>Total</b>	<b>1,500</b>	<b>12,586</b>	<b>14,086</b>

A.I.D. funds will be provided incrementally; future A.I.D. obligations are subject to the availability of funds and mutual agreement of the parties to proceed.

Project Implementation Letter No. 1 will specify the general disbursement methods and payments for A.I.D. funds.

Table B sets forth the anticipated schedule of funding provided by GOL.

**Table B  
ANTICIPATED SCHEDULE OF GOL FUNDING**

<b><u>GOL FISCAL YEAR</u></b>	<b><u>AMOUNT U.S. \$000 EQUIVALENT</u></b>
1991/92	505
1992/93	530
1993/94	557
1994/95	585
1995/96	614
1996/97	645
1997/98	676
1998/99	711
1999/00	746
2000/01	<u>783</u>
<b>Total</b>	<b>6,352</b>

The GOL contribution consists of personnel, office space for the technical assistance contractor, and operational and maintenance costs provided on an in-kind basis. The contribution is based on the cumulative GOL projected annual budgets of the Range Management Division (100 percent) and of the Animal Production and Veterinary Services Divisions combined (approximately 25 percent), using the GOL fiscal year 1991/92 as the base year and increasing that level by 5 percent annually. The exchange rate of 2.5 Maloti per U.S. dollar was used to calculate the GOL contribution.

Pursuant to Section 5.2 of the Agreement, the GOL will provide staff resources for project implementation. Key personnel to be provided shall include the Chief Range Management Officer, the RMD Field Operations Supervisor and two RMA advisors. Additionally, the Range Inventory/Planning, Grazing Management and Data Management Sections of the Range Management Division and the Animal Production and Veterinary Services Divisions of the Department of Livestock Services will provide periodic advice and services.

## **ARTICLE V. - Evaluation**

**Two external evaluations will be undertaken over the life of the project. The first will take place during the fifth year of the project and serve as the basis for structuring implementation during the second five-year period. It will review progress made in the existing RMAs, provide recommendations on refining the community organization approach, assess the potential financial viability of the RMAs and analyze range improvement and animal productivity data. The final evaluation will be carried out in the ninth year of the project and assess overall impact. A.I.D. and GOL officials will agree to a scope of work for each evaluation and A.I.D. will thereafter contract directly for the evaluation services.**

**A detailed list of evaluation indicators and data gathering requirements will be established in a Project Implementation Letter.**