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PN-AAJ-859
ISN = 47173
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LASA Administrative Report No. 4

ANNUAL ADMINISTRATIVE REPORT FOR THE LESOTHO AGRICULTURAL SECTOR ANALYSIS PROJECT

October 1, 1979-September 30, 1980

Department of Economics
Colorado State University

October 1980

ANNUAL ADMINISTRATIVE REPORT NO. 4
for the
LESOTHO AGRICULTURAL SECTOR ANALYSIS PROJECT

October 1, 1979 - September 30, 1980

Cooperative Agreement No. AID/ta-CA-1
Basic Memorandum of Agreement No. AID/ta-BMA-6

Submitted by

Kenneth C. Nobe
Cooperator's Project Manager
and
Jerry B. Eckert
CSU Field Team Leader

Department of Economics
Colorado State University
Fort Collins, Colorado

November 1980

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COOPERATIVE AGREEMENT SUMMARY
No. AID/ta-CA-1

4th Annual Administrative Report
Dates: October 1, 1979-September 30, 1980

TITLE OF WORK EFFORT
Lesotho Agricultural Sector Analysis

PROJECT MANAGERS
Richard E. Suttor, Agricultural Economist
Economic and Sector Planning, DS/AGR/ESP, AID Washington
Kenneth C. Nobe, Chairman
Department of Economics, Colorado State University

PROJECT DURATION
September 1, 1976 through August 31, 1981[1/]

BUDGET SUMMARY

Total Estimated AID Cost	$ 1,409,000.00
CSU's Expended AID Budget:	
for Sept. 1, 1976-Sept. 30, 1977	235,667.00[2/]
for Oct. 1, 1977-Sept. 30, 1978	307,148.00
for Oct. 1, 1978-Sept. 30, 1979	358,030.00
for Oct. 1, 1979-Sept. 30, 1980	373,472.45
Total AID Project Funds Expended	1,274,317.43
CSU Contributions	93,401.72
Total Project Costs Through 9-30-80	1,367,719.15
Anticipated CSU Expenditures of AID Budget in Fiscal Year 1981	134,682.57
Anticipated level of unexpended AID funds at end of Project life on 8-31-81	-0-

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[1/] Project has been extended through August 31, 1981. It was originally scheduled to terminate on August 31, 1980.

[2/] Includes $90,000 transferred to AID/Mission in Maseru for CSU/LASA team members' housing.

Fourth Annual Administrative Report
for the
Lesotho Agricultural Sector Analysis Project
October 1, 1979-September 30, 1980

Part I. Background

The purpose of this report, per the conditions of Cooperative Agreement No. AID/ta-CA-1 of Basic Memorandum of Agreement No. AID/ta-BMA-6, is to report on expenditures, staffing levels and accomplishments by Colorado State University (CSU) on this project from October 1, 1979 through September 30, 1980. The major objective of the Lesotho Agricultural Sector Analysis (LASA) activity is to develop the capacity of the Government of Lesotho (GOL) to design, implement and utilize agricultural sector analysis in their development planning efforts. This objective was being accomplished through the integrated efforts of: 1) a CSU field party housed in the Planning and Evaluation Unit of the Lesotho Ministry of Agriculture (MOA); 2) a Basotho participant training program in the United States in which selected individuals have been receiving training at Colorado State University, University of Colorado, Ball State University and Michigan State University; and 3) an on-campus support staff of Economics faculty and graduate students at Colorado State University. A secondary objective of the project is to establish a long-term institutional relationship between Lesotho's Ministry of Agriculture and Colorado State University, particularly with its Department of Economics.

According to the original Cooperative Agreement, the LASA activity was programmed to consist of three phases, as follows:

Phase I.	9-1-76/6-30-77	A startup period, including development of an agricultural library, with project personnel and Basotho training participants housed on the CSU campus.
Phase II.	7-1-77/1-31-78	Establishment of the LASA field office and conducting the Agricultural Sector Review in Lesotho; continuation of participant training in the United States; and, development of a Scope of Work (SOW) for Phase III.

Phase III. 2-1-78/8-31-80 Conducting Agricultural Sector Analysis in Lesotho and completion of the Basotho participant training effort in the United States.

Note: Phase III has been extended through August 31, 1981 in order to complete the participant training effort in the U.S. and to complete an agricultural sector analysis (ASA) report on campus at Colorado State University. The field party office in Maseru was closed in August, 1980.

Due to a delay in obtaining housing for CSU field party personnel, establishment of the field office in the MOA in Maseru was delayed until early September 1977. Delays were also experienced in carrying out the Agricultural Sector Review so that the interim AID project review, scheduled in-country for late February 1978, was rescheduled for June 1978. The AID review team, consisting of Dr. Richard E. Suttor (DS/AGR/ESP/Washington), Mr. Boyd Whittle (AFR/DR/Washington), Dr. Lehman Fletcher, Iowa State University and Dr. K.C. Nobe, CSU project manager, met in Maseru on June 21-23, 1978, at which time progress to date, problems and a plan of work for Phase III were reviewed with the LASA, MOA and AID Mission personnel. The AID Review Team released their evaluation report on July 27, 1978. Along with suggested project modifications, the Team recommended continuation of the project through its estimated completion date of August 31, 1980. It also recommended that planning begin for a continuing CSU/MOA relationship beyond that date so as to provide additional academic training for Basotho government personnel and to provide continued CSU faculty assistance through TDY's and/or longer term in-country assignments to assist on specific research and policy issues. On the basis of the interim project review, AID authorized release of additional funds for the period October 1, 1978 through September 30, 1979 at the level specified in the original project agreement--$368,500. Phase III of the project began on or about August 1, 1978.

During November - December 1979, a Tripartite Review was held in Maseru, followed by a second AID Evaluation Team visit during January 1980. As a result of these reviews it was agreed that the period January - August 1980 would be devoted to completion of in-country activities, to be followed by a one-year project extension in order to complete an agricultural sector analysis report on-campus at Colorado State University, and to wind up the participant training effort. AID has approved the one-year extension, as proposed, and authorized CSU to expend the remaining $134,682.57 of AID funds allocated for this project to complete the unfinished participant training, final report preparation and to conduct a proposed workshop on ASA policy options for GOL/MOA administrators.

Part II. Project Budget and Staffing

A. Budget Allocations and Expenditures

AID budget allocations for the original four years of the project, through September 30, 1980, totaled $1,409,000 and the total estimated expenditures were $1,274,317.43 leaving an unencumbered balance of $134,682.57 (Table 1). During this period, estimated CSU contributions via levels of overhead and graduate student tuitions foregone totaled $121,357.48; thus, the total estimated costs of the project effort through September 30, 1980 totaled $1,395,674.91, with AID funding accounting for 91.3 percent of the total to date.

The total AID budget for the original life of the project (through August 31, 1980) was $1,409,000. A one-year extension of the project, e.g. through August 31, 1981, was granted with the understanding that no additional AID funds beyond the $1,409,000 originally budgeted for the project were available. Therefore, on-campus research analysis, report preparation, and a workshop with GOL/MOA administrators, as well as completion of participant training activities, are to be carried out with the remaining AID funding still available on October 1, 1980 in the amount estimated to be $134,682.57 (Table 1), plus CSU contributions. In this regard, the original agreement budget document called for a CSU contribution in the amount of $99,800.00. But, by October 1, 1981, CSU's contributions already totaled $121,357.48 or an excess of $21,557.48. Further, it is estimated that during the remaining 11 months of the project, CSU's overhead foregone on salaries and related items will likely total an additional $33,942.52 so that the total CSU contribution would exceed the original budget figure by $55,500.00. Therefore, as shown in Table 1, the total project costs, including CSU's extra contribution is estimated to be $1,564,300.00, with AID's contribution remaining unchanged while CSU's contribution is increased by $55,500.00, e.g. increases from $99,800.00 to $155,300.00.

Total expenditures to date, as given in Table 1, show major variations in some of the line items which merit explanation. 1/ For example, the salaries for faculty and staff total $33,087.01 less than the amount budgeted--a savings due primarily to using a graduate research assistant as the Project Coordinator instead of a faculty member as

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1/ Note, however, that per conditions of the Cooperative Agreement (AID/ta/CA-1), "The Cooperator may not exceed AID's share (F(2)(d)) of 93.4% or $1,409,000, but may make adjustments among line items without restriction," (page 7).

Table 1
Colorado State University
Cooperative Agreement No. AID/ta-CA-1
LASA Project Budget
Fund 33-1771-1523

Items	Expenditures 9-1-76/ 9-30-77	10-1-77/ 9-30-78	10-1-78/ 9-30-79	10-1-79/ 9-30-80	Total Expenditures	Total Budget 9-30-79	Balance Remaining
Salaries							
Home Off.-CSU:							
Proj. Mgmt.	$ 990.00	$ 8,784.73	$ 11,626.26	$ 13,264.43	$ 34,665.42	$ 61,600.00	$ 26,934.58
Prof. Staff	40,492.02	20,845.98	30,025.35	38,240.34	129,603.69	84,400.00	(45,203.69)
Consult. Staff	2,400.83	-	-	-	2,400.83	-	(2,400.83)
Other Consult.	506.42	626.22	1,854.32	-	2,986.96	38,200.00	35,213.04
Secretarial	5,221.53	7,660.90	9,427.50	12,214.20	34,524.13	38,400.00	3,875.87
GRA	4,063.64	(.01)	1,628.63	976.98	6,669.24	-	(6,669.24)
Sub-Total	53,674.44	37,917.82	54,562.06	64,695.95	210,850.27	222,600.00	11,749.73
Field Off.-Maseru:							
Prof. Staff	7,376.49	79,861.31	88,263.77	73,155.87	248,657.44	305,000.00	56,342.56
Secretarial	906.61	10,019.02	11,403.00	11,872.00	34,200.63	17,900.00	(16,300.63)
GRA	276.36	6,775.01	10,149.75	9,553.80	26,754.92	19,800.00	(6,954.92)
Sub-Total	8,559.46	96,655.34	109,816.52	94,581.67	309,612.99	342,700.00	33,087.01
Total Salaries	$ 62,233.90	$ 134,573.16	$ 164,378.58	$ 159,277.62	$ 520,463.26	$ 565,300.00	$ 44,836.74

(Continued)

Table 1 (Continued)

Items	Expenditures 9-1-76/ 9-30-77	10-1-77/ 9-30-78	10-1-78/ 9-30-79	10-1-79/ 9-30-80	Total Expenditures	Total Budget 9-30-79	Balance Remaining
Fringe Ben-10.64%							
On-Campus	$ 4,507.76	$ 3,473.06	$ 4,990.97	$ 6,419.71	$ 19,391.50	$ 19,600.00	$ 208.50
Off-Campus	881.33	9,563.25	10,604.46	9,579.17	30,628.21	36,500.00	5,871.79
Total Frg Ben	5,389.09	13,036.31	15,595.43	15,998.88	50,019.71	56,100.00	6,080.29
Overhead (Ind Costs)							
On-Campus-30%	19,678.73	13,907.90	26,275.01	19,656.48	79,518.12	61,200.00	(18,318.12)
Off-Campus-15.2%	1,435.00	16,364.86	16,212.77	(784.15)	33,228.48	70,700.00	37,471.52
Total Overhead	21,113.73	30,272.76	42,487.78	18,872.33	112,746.60	131,900.00	19,153.40
Travel-Transport.							
Travel-Per Diem	12,510.48	15,346.28	20,817.05	31,422.23	80,096.04	141,900.00	-
Shipg. & Store.	885.70	30,421.20	5,915.27	18,097.23	55,319.40	84,000.00	-
Payment in Lieu of Auto Ship	6,000.00	-	-	-	6,000.00	-	-
Total Travel & Transp.	19,396.18	45,767.48	26,732.32	49,519.46	141,415.44	225,900.00	84,484.56
Allowances							
Post Diff.-10%	855.95	9,356.01	8,521.73	10,816.50	29,550.19	34,300.00	-
Ed./Util./Rent	-	4,743.42	9,549.07	9,880.25	24,172.74	11,100.00	-
Total Allow.	855.95	14,099.43	18,070.80	20,696.75	53,722.93	45,400.00	(8,322.93)
Other Direct Costs							
Workmen's Comp. (9-12%) & Ins.	-	10,255.20	10,776.58	12,839.90	33,871.68	51,400.00	-
Campus Equip/ Supp/Pspts/ Med./Tuition	4,502.81	3,688.00	4,528.18	6,173.71	18,892.70	46,900.00	-
Total O.D.C.	4,502.81	13,943.20	15,304.76	19,013.61	52,764.38	98,300.00	45,535.62
SUB-TOTAL - (TAB) DS	$ 113,491.66	$ 251,692.34	$ 282,569.67	$ 283,378.65	$ 931,132.32	$1,122,900.00	$ 191,767.68

Table 1 (Continued)

Items	Expenditures 9-1-76/ 9-30-77	10-1-77/ 9-30-78	10-1-77/ 9-30-79	10-1-79/ 9-30-80	Total Expenditures	Total Budget 9-30-79	Balance Remaining
Commodities							
Veh/Trans Eqp	$ 371.50	$ 14,461.80	$ (116.45)	$ -	$ 14,716.85	$	$
Other Equip./Sup	2,268.16	13,399.28	12,589.22	12,193.31	40,449.97		
Library Develop	5,216.00	4,265.26	3,380.43	6,247.04	19,108.73		
Total Commod.	7,855.66	32,126.34	15,853.20	18,440.35	74,275.55	66,000.00	(8,275.55)
Participant Training/Support							
Salaries	7,920.00	7,070.00	23,558.42	17,053.88	55,602.30		
Travel	4,964.76	7,055.15	11,302.06	5,849.73	29,171.70		
Academic Other	1,434.98	8,018.16	14,860.22	21,305.91	45,619.27		
Total- Ptcpnt T&S	14,319.74	22,143.31	49,720.70	44,209.52	130,393.27	92,400.00	(37,993.27)
Local Office Support		1,186.25	4,886.11	6,443.93	12,516.29		
Add/Less Advance to Field Off Acct*	10,000.00	(10,000.00)	-	-	-		
Adv for Revolving Fund Fld Off **	-	10,000.00	5,000.00	21,000.00	36,000.00		
Total Off Supt	10,000.00	1,186.25	9,886.11	27,443.93	4,516.29	37,700.00	(10,816.29)
Local Construc.***	90,000.00	-.	-	-	90,000.00	90,000.00	-
SUB-TOTAL-AFR BUR	$ 122,175.40	$ 55,455.90	$ 75,460.01	$ 90,093.80	$ 343,185.11	$ 286,100.00	$ (57,085.11)

Table 1 (Continued)

	Expenditures 9-1-76/ 9-30-77	10-1-77/ 9-30-78	10-1-78/ 9-30-79	10-1-79/ 9-30-80	Total Expenditures	Total Budget 9-30-79	Balance Remaining
SUB-TOTAL-AFR BUR	$ 122,175.40	$ 55,455.90	$ 75,460.01	$ 90,093.80	$ 343,185.11	$ 286,100.00	$ (57,085.11)
TOTAL CSU FUND/AID	$ 235,667.06	$ 307,148.24	$ 358,029.58	$ 373,472.45	$1,274,317.43	$ 1,409,000.00	$ 134,682.57
CSU (O.H. forgn)	$ 31,133.10	$ 26,648.84	$ 31,973.64	$ 31,601.90	$ 121,357.48	[155,300.00]1/ $ 99,800.00	[33,942.52]1/ $ (21,557.48)
TOTAL PROJ COSTS	$ 266,800.16	$ 333,797.08	$ 390,003.32	$ 405,074.35	$1,395,674.91	$ 1,508,800.00	$ 113,125.09
AID's Share of TC	88.3%	92.0%	91.8%	92.2%	91.3%	[1,564,300.00]1/ -	[168,625.09]1/ -

*Advance to Field Office for starting-up expenses.
**For operating expenses, Rand and U.S. Dollar accounts. Not project funds--advanced by CSU State funds.
***For local housing construction for field party families.

1/ CSU has already contributed $21,557.48 over the original budget figure of $99,800 and additional contributions during the life of the project total $33,942.52. Hence, CSU's estimated total contribution is estimated to be $155,300.00 so that the total project costs will increase to $1,564,300.00, with a total balance of funds remaining in the amount of $168,625.09. Of this total remaining balance, AID funds will remain unchanged at $134,682.57.

originally intended and not replacing Dr. and Mrs. Leathers when they left the field party last Spring. On the other hand, the on-campus overhead figure already exceeds the budgeted amount by (-$21,557.48). This was due to the fact that the Field Party staff remained on campus the first year of the project so that the overhead rate charged on their salaries and fringe benefits was all at the on-campus rate (30%) instead of at the off-campus rate (15.2%).

Other major variations occurred in the travel and transportation category (a savings to date of $84,484.56) and Other Direct Costs (a savings of $45,536.62)--due to less use of on-campus personnel for TDY's in Lesotho than originally planned. There has been a significant overrun on participant training costs (-$37,993.27) which has been due to three factors: 1) more students have been in training than originally budgeted for; 2) they have all stayed longer than the one-year period originally intended; and 3) the Colorado State Legislature now requires payment of tuition for all students, including those employed on Graduate Research Assistantships.

At the end of the fourth year of the project, there was an unexpended balance of $191,767.68 on the Development Services Bureau (TAB) share of budget and an overrun of $57,085.11 on the Africa Bureau's share, thus leaving a net unexpended balance on September 30, 1980 of $134,682.57 on AID funds. Per the agreement to extend the project through August 31, 1981, these funds, along with CSU contributions, will suffice to fund the remaining portion of this additional year of project activities.

B. Professional and Staff Personnel

During the fourth year of the project (October 1, 1979-September 30, 1980), 21 CSU personnel have been engaged in LASA project activities. This figure included five Basotho trainees employed as graduate research assistants (GRA's), one of whom was enrolled in a Master's degree program at Michigan State University, and one who is enrolled at Ball State University. The total CSU professional and staff personnel engaged in the LASA effort disaggregates as follows: eleven CSU faculty, eight GRA and Research Associates, and two secretarial. Six of these personnel were members of the CSU LASA field party in Maseru.

Table 2 provides a listing of professional staff positions to be provided by CSU, per conditions of the Cooperative Agreement, compared with actual personnel provided during each of the first four years of the project. Without exception, qualified personnel in the various disciplines called for have been provided. In addition, temporary support personnel have been added as needed for specific assignments which were not visualized at the time the agreement was written. It is anticipated that, with the exception of Professors Hartman, Seckler and

TABLE 2
Listing of CSU Professional Staff Requested in the
LASA Cooperative Agreement and
Personnel Actually Provided by CSU

Specialized Fields Requested	Grade (Rank)	Names of Personnel Provided	Rank	Period of Involvement 9-1-76/ 9-30-77	10-1-77/ 9-30-78	10-1-78/ 9-30-79	10-1-79/ 9-30-80
CSU Project Manager	None specified	K.C. Nobe	Professor	X	X	X	X
Project Coordinator	None specified	Ken Leathers	Asst. Prof.	X	-	-	-
		John Gold	GRA	X	X	X	-
		Richard Bowen	GRA	-	-	X	X
CSU Field Team Leader	Assoc. Prof. or above	Jerry Eckert	Assoc. Prof.	X	X	X	X
Development Geographer	Assoc. Prof. or above	Gene C. Wilken	Professor	X	X	X	X
Jr. Agri. Economist	Instructor or above	Kenneth Leathers	Asst. Prof.	X	X	X	X
Senior Agri. Economists (Farm Mgt/ Livestock/Prod)	Assoc. Prof. or above	David W. Seckler	Professor	X	X	-	-
		Forrest Walters	Professor	-	-	X	X
		Melvin D. Skold	Professor	-	X	X	X
Senior Economist (Social Change & Institutions)	Assoc. Prof. or above	L.M. Hartman	Professor	X	X	-	-
		R.K. Sampath	Assoc. Prof.	-	-	X	X

(Continued)

Table 2 (Continued)

Specialized Fields Requested	Grade (Rank)	Names of Personnel Provided	Rank	Period of Involvement 9-1-76/ 9-30-77	10-1-77/ 9-30-78	10-1-78/ 9-30-79	10-1-79/ 9-30-80
Senior Economist (Develop. Planning and Manpower)	Assoc. Prof. or above	Ronald A. Wykstra	Professor	X	X	X	X
None Specified	None specified	J.R. Carpenter	Res. Assoc.	X	X	-	-
		Roxanna Leathers	GRA&Res.Assoc.	X	X	X	X
Temporary Support Staff	Varies	R.E. Whedbee*	Int'l Program Officer, CSU	X	-	-	-
		W.E. Wagner	Asst. Prof. of Geography	X	-	-	-
		M. Mahoney	Librarian (U. of London)	X	-	-	-
		C. Amiet	Librarian	X	-	-	-
		R. Tinnermeier*	Professor	X	X	X	X
		S. Williams*	Fac. Affiliate	X	X	X	X
		J.R. Meiman*	Prof., Graduate School Dean, Director of Int'l Programs	-	X	X	X

*CSU faculty participants who were not paid from LASA project funds.

Leathers who have completed their assignments, the key personnel who have been participating in the project so far will be available for continuing project assignments during the remaining year of on-campus effort under the LASA Cooperative Agreement.

Table 3 provides a breakdown of the professional and staff inputs during the fourth year of the project, including names, titles, levels of time inputs, salary costs and assigned responsibilities. These data are self-explanatory. Accomplishments by the CSU personnel listed in Table 3 and their Basotho counterparts in Lesotho are reported on and discussed in the following section of this report.

Table 4 provides a preliminary budget for the remaining portion of the project effort. Preliminary budget allocations of available AID funds total $134,682.57.

TABLE 3
CSU LASA PROJECT PROFESSIONAL AND STAFF PERSONNEL
October 1, 1979-September 30, 1980

Activity Areas and Project Staff	Title or Rank	Specialties	Funding (Months)	Funding (Salary)	Responsibilities
Project Administration					
Nobe, K.C. (Director)	Dept. Chairman	Nat.Res.Econ. and Economic Development Policy	1.81	$ 6,108.75	Project supervision, logistics, Co-leader, EC792 Seminar; TDY in Lesotho
Richard Bowen (Coordinator)	GRA/Coord.	Economic Dev. Plan.	5.50	5,145.58	Project coordination
Bolls, K.J.	Secretary 1-B	Secretarial/Acctg.	10.50	11,274.00	Project secretary, maintain LASA fiscal accounts, TDY in Lesotho
Sub-Totals			(17.81)	(22,546.14)	
LASA Field Staff					
Eckert, J. (Team Leader)	Assoc. Prof.	Agri.Dev., Planning and Prod. Economics	12.00	33,466.67	Field office supervision, logistics, and direct ASA involvement
Wilken, G.C.	Professor	Cultural & Dev. Geography	12.00	35,016.66	Assist in ASA, Lesotho library acquisitions and updating Lesotho bibliography
Leathers, K.L.	Asst. Prof.	Nat.Res.Econ. & Agric.Dev.Plan.	7.27	11,990.00	Assist in ASA
Leathers, R.	GRA&Res.Assoc.	Econ.Theory & Math.	7.27	7,097.95	Assist in ASA and training activities

(Continued)

Table 3 (Continued)

Activity Areas and Project Staff	Title or Rank	Specialties	Funding		Responsibilities
Tribble, R.	GRA	Econ. Development	9.91	9,495.94	Engage in field work and assist in ASA
Eckert, B.J.	Admin. Clerk Typist B	Secretarial/Acctg. & Admin. Assistance	12.00	13,003.47	Field office Project Secty & maintain field office fiscal accounts
Sub-Totals			(60.45)	(110,070.69)	
CSU/Faculty Support Staff					
Wykstra, R.A.	Professor	Human Res. Econ. & Dev. Planning	5.05	15,246.80	Field research & discussion papers on labor constraints in agriculture; & direct degree work for one Basotho trainee at CSU
Sampath, R.K.	Assoc. Prof.	Econ. Dev. Plan. & Policy Analysis	1.50	3,333.41	Direct EC792 Development Seminar for Fall 1979
Meiman, J.R.	Graduate School Dean	Watershed Mgmt.	-	-	Assist in formal graduate training of Basotho participants
Skold, M.D.	Professor	Agr. Prod. Econ.	1.50	4,666.62	Advise on ASA Scope of Work & supervise one Basotho trainee at CSU
Tinnermeier, R.	Professor	Agri. Dev. & Credit	-	-	Assist in training of Basotho participants
Walters, F.E.	Professor	Agr. Marketing & Prices	0.17	567.09	Assist in training of Basotho participants and TDY in Lesotho
Williams, S.	Faculty Affiliate	Agri.Dev.Consult.	-	-	Consult on Phase 3 of Project work
Sub-Totals			(8.22)	(23,813.92)	

(Continued)

Table 3 (Continued)

Activity Areas and Project Staff	Title or Rank	Specialties	Funding		Responsibilities
Basotho Trainees					
Mapetla, N.	GRA		6.00	4,117.95	Course work for M.S. degree (Ball State)
Motsamai, M.	GRA		4.50	3,349.98	Course work for M.S. degree (CSU) and technical paper
Nchapi, M.	GRA		4.50	3,349.98	Course work for M.S. degree (CSU) and technical paper
Phoofolo, M.	GRA		6.00	6,689.00	Course work for M.S. degree (MSU) and technical paper
Tuoane, L.	GRA		.37	274.64	Course work for M.S. degree (CSU) and technical paper
Sub-Totals			(21.37)	17,781.55	
Total Months and Salaries			107.85	$ 162,940.16	

TABLE 4
Estimated LASA Budget
Phase III Extension
1 October 1980 - 31 August 1981

	FTE Mo.	Salary	PERA	Other	Total Budget
Salaries					
Project Management					
Nobe	(3.0)	(12,740.04)			
Eckert	(2.0)	(5,266.65)			
Sub-total	5.0	18,006.69			
Professional Staff					
Eckert	(4.5)	(12,113.32)			
Wilken	(4.5)	(14,049.99)			
Wykstra	(4.0)	(13,393.34)			
Walters	(1.5)	(5,100.00)			
Skold	(1.5)	(5,338.88)			
Sub-total	16.0	49,995.53			
Secretarial					
Bolls	(5.0)	(6,080.00)			
Eckert, B.	(1.0)	(1,169.60)			
Glassberg (O/S6 op/hrly.)	(2.0)	(600.00)			
Sub-total	8.0	7,849.60			
GRA-Tribble	(2.25)	(2,337.48)			
Hourly	(1.00)	(1,000.00)			
Sub-total	3.25	3,337.48			
TOTAL SALARIES	((32.25))	((79,189.30))			79,189.30
Fringe Benefits - 15.2%			11,438.28		11,438.28
Overhead - 30.0% (All on-campus SWFB)				27,188.27	27,188.27
Travel-transportation					
Travel/Per Diem				(8,000.00)	(8,000.00)
Shipping				(-)	(-)
Sub-total				8,000.00	8,000.00
Other Direct Costs					
Operating				(3,100.00)	
Publication				(500.00)	
Sub-total				(3,600.00)	3,600.00
Participant Training					
Salaries	-	(849.50)			
Travel	-	-		(3,263.72)	
Other (fees, etc.)	-	-		(1,153.50)	
Sub-total		849.50		4,417.22	5,266.72
TOTAL BUDGET ALLOCATIONS	32.25	80,038.80	11,438.28	43,205.49	134,682.57
AID FUNDS AVAILABLE					134,682.57
REMAINING BALANCE					-0-

Part III. Activities

A. Introduction

The fiscal year under review was one in which a major redirection of the LASA effort occurred. As the year began, LASA was in a period of attempting to meet the Ministry's expressed requests that the CSU team fully integrate itself into the daily operational routine of the Planning Division. The many activities involved in that effort continued until the end of the calendar year. At that time, as a result of the Donor's Conference, the Five Year Plan exercise and the LASA Tripartite Review, the project was instructed to devote its remaining eight months of field time to pulling together all of the analysis then underway into a coherent agricultural sector analysis. In addition, we were requested to provide a framework of data and analyses for district level planning and development activities in support of the national thrust towards a decentralized development strategy.

In January, 1980, as a result of the Tripartite Review, LASA began an eight month period of total concentration on meeting these two requirements. A work plan was developed for the remaining period of the contract which embodied an outline of the ultimate analytical work to be prepared. Progress towards these objectives is reported in the several sections below.

Written Output: Tripartite Review

"An Interim History of the LASA Project." Internal LASA Document, Jerry Eckert, January, 1980.

"Scope of work for the remaining portions of the LASA effort." Internal LASA Document, Jerry Eckert, January, 1980.

"A list of items LASA can realistically complete during the January to August 1980 period." Internal LASA Document, Jerry Eckert, January, 1980.

B. Geographic Dimensions

The year ending September 30, 1980 saw the completion of most planned geographic aspects of the LASA Project, and the achievement of some objectives that had not been anticipated at the beginning. The three major topic areas: Physical Resources, Cultural Characteristics, and Miscellaneous Activities, will be taken up below. Spatial/Regional Analysis and Planning are discussed in a subsequent section.

1. Physical Resources

a. Soils

Most LASA activity with respect to soils has been concerned with summarizing existing surveys and analyses, and presenting them in forms appropriate to planning (e.g., LASA Research Report Nos. 2 and 3). In addition, in cooperation with the Conservation Division (MOA), LASA has been developing district inventories and maps of major soil groups to support regional analysis and planning, and decentralization efforts. Finally, soil moisture storage capacities have been incorporated into the crop monitoring and forecasting models now under development.

b. Agroclimate

1) Data Acquisition

Although the climate establishes general limitations and opportunities for agriculture in Lesotho and adverse weather events impart a high degree of risk to farming operations, little is actually known of extremes, variabilities, probabilities, and regional differences, nor have the effects of the various weather elements on crops and yields been evaluated. The first step in either ecological or risk analysis is to rationalize and summarize climatic data. A major program of transferring unwieldly weather records to computer disks and tapes concluded in June, 1980. In addition, substantial amounts of historical data were acquired from South Africa in computer-accessible format. Results of this program are noted below:

2) Computerized Agroclimatic Data Now Available in Maseru and at CSU in Fort Collins

- Maseru temperatures at 2-hourly intervals, adjusted from thermograph track, 1958-78.

- Short-term daily rainfall records from Thaba Bosiu Project, 1973-1977

- Daily maximum-minimum temperatures and rainfall for all district headquarters (Butha Buthe, Leribe, Teyateyaneng, Maseru, Mafeteng, Mohale's Hoek, Quthing, Thaba Tseka, Mokhotlong, and Qacha's Nek) and also Semonkong and St. Thomas.

- Daily maximum-minimum average temperatures and rainfall for Maseru, 1950-1978.

- Daily rainfall from White Hill Estate, Repase, Tsoelike, Mafeteng, Mt. Olivet, Thabana Morena, Malealea, Semongkong, Mashai, Sehlabathebe, Botsabelo, Roma, Likalaneng, (varying periods).

3) Data Analyses

With the data noted above available in computer format, the following analyses have been undertaken:

- Crop monitoring and forecasting model (FAO model). Preliminary testing of model complete. Model for Maseru ready in two months, other stations within six months.

- Calculation of degree days or heating units for all district headquarters. Preliminary work completed.

- Calculation of frost and other temperature threshold probabilities for all district headquarters. Data summarized; probability calculations underway. Estimated completion in four months.

- Evaluation of risk environment in Lesotho, with emphasis upon drought and frost. Estimated completion within five months.

- Establishment of drought-watch system (adapted from Australian and Botswana models) for all district headquarters. Maseru model complete; basic calculations for district headquarters complete. Drought watch for nation should be operative within four months.

- Determination of meso-scale or district level agroclimatologies. Although no district has more than a few weather stations, data presently available will allow a first approximation of conditions distinct to each of the ten administrative districts of Lesotho.

In addition to the analyses noted above, the computerized data should be of great value to other agriculturally related development activities such as the Farming Systems Research Project, Phuthiatsana Irrigation Project, and the Basic Agricultural Services Project (BASP), as well as to the Research and Planning Divisions, MOA.

Unfortunately, available data will not permit analysis of hail probabilities, although it is suspected that anticipated hail losses loom large in Basotho farmer thinking and farm planning. It is recommended that a hail survey initiated earlier by MOA be reinstituted and expanded to take advantage of facilities being created by the BASP fertilizer study. Eventually a network of reporting stations could monitor hail events and provide reliable data upon which to base probability tables and risk analyses that in turn would support a comprehensive hail insurance program.

c. Bioclimatic Units

The natural vegetation, especially range grasses, not only represents one of the primary natural resources of Lesotho, it also integrates all other factors to serve as an index of environmental conditions and potential for development. In an effort to make existing data available for national and regional planning, the Gross Bioclimatic Units Map, commissioned from Professor Phillips by the Woodlots Project, was planimetered to determine areas of each major unit by district.

Written Output: Agroclimatology

"Gross Bioclimatic Units by District for Lesotho." Gene C. Wilken, Kenneth Leathers, and Liako Selebalo. Maseru: LASA/MOA February, 1980.

"Proposal for a Drought-Watch for Lesotho." Gene C. Wilken. Maseru: LASA/MOA, January, 1980.

"Environmental Hazards and Crop Failures in Lesotho: A Preliminary Evaluation." Gene C. Wilken. Maseru: LASA/MOA, August, 1979.

2. Cultural Characteristics

Cultural analyses involved three major efforts: a background study of Basotho farmer characteristics, including a review of subsistence farming and progressive farming schemes in Lesotho, an analysis of village-based resource management and development potentials, and a survey of farmers' perception of environmental hazards and risk-avoidance strategies. The latter represents an amalgam of environmental and cultural studies. This background study originally was a contribution to the CSU Soil Conservation Evaluation Project and later was refined and expanded into LASA Discussion Paper No. 8.

Village-based resource management has surfaced as a major recommendation from the National Farmer's Conference of 1979 and forms a foundation for the current program of decentralized planning and management. However, the effort goes so directly and deeply to the foundations of Basotho culture and tradition that it can only be pursued with substantial local commitment and assistance. A tentative outline has been developed to suggest some possibilities. But further progress is unlikely without initiative and guidance from MOA.

The study of agroclimatic hazards, risk perception, and risk-avoidance startegies, developed initially with the National Science Foundation research funds subsequently became a LASA Project activity. A field survey was made of 346 Lowland and Mountain farmers to ascertain their perception of agroclimatic hazards and risks, and their various strategies to minimize losses. The survey has been completed and summarized, and further analyses are underway. Results have been presented at major international conferences.

Written Output: Cultural Analyses

"Past and Future Functional Roles of Settlements in Lesotho." Gene C. Wilken. LASA/MOA, January 1980.

Agroclimatic Hazard Perception, Prediction, and Risk-Avoidance Strategies in Lesotho: Report of a Survey. Gene C. Wilken. LASA/MOA, February, 1980. (Summary presented to IGU Conference, Tokyo and Sapporo, Japan, August-September, 1980.).

3. Miscellaneous Activities

a. LASA Library

One consistent success of the LASA Project has been the library. What began as a modest effort to create a Project support facility in Maseru and Fort Collins grew until the LASA Library became a primary resource center on agriculture and planning in Lesotho, a first point of contact for newly-arrived study teams and consultants, and a research center for civil servants and students from the National University and elsewhere in southern Africa. Holdings more than doubled during the three years the Library was in Maseru, with the new acquisitions mostly in the area of project documents, ministerial publications, and other locally generated materials, many of which are unavailable elsewhere. These items, together with the published literature and graduate theses previously acquired, have undoubtedly made the Library the finest collection on

Lesotho agriculture in Lesotho, perhaps in the world. The Library has been transferred from MOA Headquarters to the Research Station where it will fall under Farming Systems Project management and will eventually be integrated into a combined central agricultural library. In addition to developing a useful library, the LASA Project:

- issued two comprehensive bibliographies of holdings and references (Research Report Nos. 1 and 5), plus two special bibliographies, one on extension and another on land tenure. The latter is being reissued by the Land Tenure Center, Madison, Wisconsin, as part of their special bibliography series.

- was identified by FAO as the coordinating office in Lesotho for the "AGRIS" computer information exchange system.

- took a lead position in efforts to develop a national agricultural library and information exchange system.

- participated in the organization and development of the National Library Association of Lesotho.

Written Output: Library Development

Catalog of Holdings and Other References in the Lesotho MOA/LASA Library. Gene C. Wilken, Matsaba J. Leballo, Betty J. Eckert, Makhothatsa Motleleng, and Kay J. Bolls. LASA Research Report No. 5, February 1980.

b. University Relations

Continuing contact was maintained with the National University of Lesotho (NUL), especially with the Urban and Regional Planning Program (URPP). Representatives from the National University were invited to participate in the planning, organization, and operation of the National Workshop on Decentralization held in July, 1980 on the National University campus at Roma.

In addition to NUL contacts, LASA Project personnel developed personal and professional relationships with faculty at the University of Botswana and Swaziland (Gaborone), University of Witwatersrand (Johannesburg), and the Orange Free State University (Bloemfontein) and corresponded with university faculty at several other African institutions.

c. Other Relations and Activities

- Special Advisor to the Chairman, Thaba Tseka Coordinating Committee (Wilken), continuing

- Member, Thaba Tseka Urban Development Subcommittee (Wilken) continuing

- Delegate from Lesotho, Southern African Regional Commission for the Conservation and Utilization of the Soil (SARCCUS), Subcommittee on Agrometeorology and Climatology (Wilken), Pretoria 12-13 February, 1980.

C. The Employment Dimension

The importance of migration and employment issues was partly recognized as early as our first exploratory investigation of possible interest in a LASA project. Once in Lesotho it became apparent that nearly every dimension of the nation's economy, and particularly the rural sector, was affected by the many implications of half of the male labor force being involved in oscillatory migration.

1. The Migration Issue

When the field team arrived in Lesotho, the potential problem of absorbing large numbers of returning migrants was considered an issue of top priority. The project responded with an extended research effort to provide quantitative estimates of the probability of alternative future migration scenarios. Based on economics, political and technological reasoning, a realistic picture of the magnitude of the returning migrant position was presented. While initially controversial, the estimates of future declines in migrant numbers gradually attained acceptance and underlie much of Lesotho's employment planning today (See LASA Research Report No. 4).

2. Labor Force Growth Implications

During the above research it became apparent that, important as the migrant issue was, labor force growth, not returning migrants, would be the principal source of demand for new jobs. Work on the employment potential of the Third Five Year Plan suggested serious constraints in each major area of the economy with respect to employment absorption capacity. A

second report was prepared at the beginning of the year under review which examined alternative labor supply and demand combinations and derived from them the employment absorption burden for rural and agricultural sectors. The general conclusion that 15-20,000 jobs were needed per year provided sharp focus to Government's perception of the employment crisis. It was also discovered that the need for jobs would not intensify gradually with labor force growth. Rather, the crisis had begun almost with full intensity and the very high level of jobs required would remain nearly constant for 20 years due to the interaction of compound rates of growth and decline in the several determinant factors. This report was also the first to recommend that labor intensive public works be utilized as a sustained component of employment programs rather than as a stop-gap emergency measure (See LASA Discussion Paper No. 7).

The above efforts contributed to the definition and understanding of Lesotho's employment problems. The emphasis then shifted toward developing the solutions and tools to enable Lesotho to effectively deal with the situation. All these LASA analyses have taken the 20-year perspective planning horizon as the appropriate frame of reference.

The second output of the present year was a complete redrafting of the "Manpower and Employment" chapter of the Third Five Year Plan. LASA research showed that many of the figures contained in the first draft were incorrect and that a revision in priorities was needed.

3. Technological Choice and Labor Utilization

A growing concern during 1978 and 1979 was the question of choice of technology in development programs. The availability of heavy equipment in South Africa, the relaxation of foreign assistance constraints due to Lesotho's "least developed" status, the perceived need for speed in completing major works and the assumption that Lesotho was a labor scarce nation (which prevailed until 1979) all combined to emphasize capital intensive technologies. USAID was perhaps the first donor agency to formally reassess this question by asking Ron Wykstra to provide an in depth evaluation of alternatives with respect to USAID support to conservation programs. This analysis was completed early in 1979 and was reported in last year's annual report. It resulted in the inclusion of labor intensive methods in the current USAID conservation support efforts and in an acceptance of this principle by the Conservation Division.

During the present fiscal year, this report was refined to reflect changes in relative prices and measured labor productivities, and generalized to address a wider range of program applications. In this form, it was reissued as LASA Research Report No. 6 and given wide circulation. The entire effort, including the initial report and its revisions, was done collaboratively with the Conservation Division (MOA) and the Labour Construction Unit, Ministry of Works. The effort demonstrated the economic viability (indeed, preferability) of labor intensive technologies under a wide range of development project activities. In so doing, it supported the extension of LCU activities and made labor-intensive public works a realistic development option which is now being actively pursued in road and conservation works and is under consideration elsewhere.

4. Long-Term Labor and Employment Perspectives

As the analysis of the agricultural sector continued, it became obvious that many of the most important trends during the 1970's could only be explained by reference to migration, migrant remittances and, in particular, the mine wage increase of the 1974-76 period. Much of the present structure of Lesotho's economy traces directly to these factors. Simultaneously, research on the future of Basotho migration was producing strong evidence of an unavoidable reduction in migrant numbers and a decline in the real value of remittances. Taken together, the two lines of inquiry suggest fundamental changes in Lesotho's economy over the next two decades.

In order to indicate the magnitude of the potential impact of declining remittances, it was necessary to first quantify the influences resulting from the earlier rapid expansion in remittances (See LASA Research Report No. 7). This report also provides analyses yielding new understandings of recent developments in the crops and livestock subsectors.

Miss Mampiti Nchapi completed her Master's Degree under the guidance of Dr. Ron Wykstra. Her technical paper entitled "A Critical Analysis of Manpower Utilization Issues in Lesotho" related Lesotho's employment crisis to the development theories presented in Mellor's New Economies of Growth. Because Ms. Nchapi did an excellent job in her professional paper of providing a theoretical background for an employment generation strategy and because the recommendations presented were very well developed, the paper was reproduced in its entirety as LASA Research Report No. 9. In this format it received widespread distribution among Lesotho's planners and policy makers.

Finally, as mentioned in the Quarterly Report for April-June, 1980, LASA's work in this area succeeded in raising government's awareness of employment as a critical development objective. In March, 1980 the Rt. Honourable Dr. Jonathan, Lesotho's Prime Minister, placed employment generation as the nation's top development priority in a speech before Parliament. Concurrently it was realized that the five year plan draft then nearing completion did not adequately deal with this issue.

Under the leadership of the Deputy Senior Permanent Secretary, government then began an effort to explicitly address employment concerns by preparing an employment generation strategy for each Ministry. Eckert, Mochebelele and Mosebo headed the effort for the MOA. In August, a series of three full day meetings were held in which draft policy statements were discussed at length and refined by the Division Heads. The result of this effort was a strong policy statement, in the form of recommendations from MOA to Cabinet, for an integrated set of policies and programs aimed at employment generation in agriculture. Since growth in agricultural jobs is not realistic in the absence of growth in agricultural output, the strategy recommended by the Ministry goes a long way toward providing the basis for an overall agricultural development program.

The three day "workshop" was notable for another reason as well. The Ministry leadership interacted extremely well, with a high level of dedication, and was able to bring a large range of pertinent facts to bear on the objective. It was apparent that the Ministry is capable of long-range constructive planning and of facing existing problems squarely. This experience, as well as that in the Decentralization Workshop/Seminar discussed elsewhere in this report, both strongly support the potential value of an agricultural development policy workshop based on the ASA, as proposed in the section below regarding future plans.

With respect to the employment research dimension of LASA, it is our intention to accomplish two final tasks. First will be the agricultural employment and labor use chapter of the ASA. Second, at a future date, we expect to integrate the many papers produced to date into a penetrating monograph on Lesotho's employment issues which will go beyond existing materials in its depth, the coherence of its recommendations and its acceptability by government.

Written Output: Employment Dimension

Lesotho's Employment Challenge: Alternative Scenarios, 1980-2000. LASA Discussion Paper No. 7, Jerry Eckert and Ron Wykstra, December, 1979.

Manpower vs. Machinery. LASA Research Report No. 6, Ron Wykstra and Jerry Eckert. April, 1980.

South African Mine Wages in the Seventies and Their Impact on Lesotho's Economy. LASA Research Report No. 7, Jerry Eckert and Ron Wykstra. May, 1980.

A Critical Analysis of Manpower Utilization Issues in Lesotho. LASA Research Report No. 9, Mampiti Nchapi. July, 1980.

"Manpower and Employment" Chapter 4 of Lesotho's Third Five Year Plan, Jerry Eckert, January, 1980.

"Recommendations to Government for an Agricultural Employment Strategy," Internal MOA Document, Jerry Eckert, R. Mochebelele, P. Mosebo and the Heads of Divisions and Sections (MOA), August, 1980.

D. Cropping Analysis

Definitive analysis of Lesotho's agriculture have historically been severely hampered by the absence of time series data on cropping activities. Only in 1973 did the Bureau of Statistics begin collection of such annual data. As the first few years' figures accumulated, confusion arose due to the absence of an apparent explanation for the variability measured. As a result, Bureau of Statistics' methods came to be questioned.

1. Validation of Bureau of Statistics Data Series

In order to establish the reliability of this data base, LASA undertook an examination of Bureau of Statistics' methods, cooperatively with BOS specialists. FAO brought in Dr. Stefinovic, a statistical consultant, to assist in this effort. M. T. Phoofolo, a LASA daily hire statistical assistant, conducted several tests and retabulations. The result of these examinations was the strong conclusion that Bureau of Statistics crops estimates were accurate and that their variability reflected actual crop conditions.

One of the crucial pieces of evidence was a study of the relationship between rainfall and reported crop yields (LASA Research Report No. 8). In a rainfed agriculture, there must exist a relationship between rainfall and crop yields. If such a relationship could be established using BOS yield estimates, it would serve to substantiate their validity. The research effort not only developed a very good multiple regression estimate (R^2 = .94) but provided, in addition, the following: 1) a tool for testing the validity of data as they come in from field enumerators and 2) a model for predicting crop production before harvest. The latter, in a food deficit country such as Lesotho, is useful for early planning of food imports, food reserve management and related programs.

2. Risk Analysis

Having established an accurate model which explains 94 percent of the variation in crop yields, we then sought to generate a synthetic time series of crop yields of sufficient length for analysis of risk parameters. Tseliso Borotho, a NUL student employed by LASA, utilized historical rainfall records for lowland districts to estimate a synthetic series of yields for maize and sorghum for an 18 year period. These data were then analyzed for variability and for differentials between districts and between wet and dry "spells" of the 20-year rainfall oscillation in Lesotho. The results support the case for regionally specific cropping patterns. The analysis was extended to develop the probabilities of average farmers making a profit vs. a loss for each Lowland district. Conclusions will appear in the ASA report and other forthcoming LASA documents.

3. Role of Comparative Advantage Analysis

Crop modelling and risk analyses both highlighted substantial differences in productivity between regions and between crops. Simultaneously with the above analyses, Miss Mamaria Motsomai was completing her M.S. technical paper under the guidance of Dr. Melvin Skold. Relying primarily on qualitative information concerning the suitabilities of the major soils, Miss Motsamai established a case for utilizing comparative advantage in regional planning. These two research efforts will be combined with forthcoming climatic analyses to provide a quantitative basis for regionally specific crop planning as a part of the ASA report.

4. Rainfall-yield Relationships

Finally, analysis of rainfall patterns and rainfall-yield relationships were combined to predict crop yield levels during the 1980's. Available research results have shown rainfall in southern Africa to vary in a "quasi-20 year oscillation" with 9-10 years averaging above normal followed by a similar period averaging below normal. On the basis of these analyses 1981 or 1982 should mark the onset of an extended dry spell. The rainfall-yield relationships developed in Research Report No. 8 were used to estimate the possible impact of a typical "dry spell" on crop productivity and foodgrain balances (See LASA Discussion Paper No. 10).

Written Output-Cropping Analysis

Quantitative Analyses of Lesotho's Official Yield Data for Maize and Sorghum, LASA Research Report No. 8, Jerry Eckert, June 1980.

The Principle of Comparative Advantage in Lesotho Agriculture, M.S. Technical Paper, Mamaria Motsomai, May 1980.

Rainfall Oscillations in Lesotho and the Possible Impact of a Drought in the 1980's, LASA Discussion Paper No. 10, Jerry Eckert. July, 1980.

E. Livestock Analysis

Analysis of the livestock sub-sector in Lesotho has been impeded by several factors. First, is a paucity of data on traditional livestock practices. Second, livestock (especially cattle) are deeply embedded into the Basotho culture. Motives and transactions affecting livestock management thus remains elusive to the outsider. Third, the Livestock Marketing Corporation, which could have provided much needed data effectively ceased to function during the period of LASA in-country presence.

Despite these obstacles, several lines of activity were pursued. First was the collection of a large subset of library holdings comprised of livestock related investigations undertaken by the various area based projects. We are hopeful that this collection will support definitive policy recommendations when integrated with other emerging results.

Second, M. T. Phoofolo prepared estimates of the income elasticity of demand for food imports by commodity class. This study shed new light on the structure of consumer demand including the very high elasticities measured for meat groups and live animals.

Third, Romie Tribble concentrated part of his efforts on analyzing the distribution of livestock among rural households. His conclusions will be integrated into an overall analysis of the distribution of income generating assets from which we hope to identify selective target groups for development programs.

Finally, Jerry Eckert was appointed MOA member to the FAO/UNDP Livestock Programmes Review Mission during March and April, 1980. Work with this group contributed to assembling the available livestock data base, identifying sub-sector problems and inter-sector relationships and postulating several preliminary policy recommendatons.

F. Formal Planning Efforts

Several identifiable efforts contributed to the formal development planning process during the year under review. The more significant of these are outlined below.

1. General Planning Efforts

a. The agricultural chapter of the Third Five Year Plan underwent major revisions before and after the Donor's Conference of November, 1979. Ken Leathers and Jerry Eckert worked with Matsiea Morojele and members of Central Planning on this job. Eckert led the effort to formulate targets for Third Plan programs, working jointly with Joe Mohapi, MOA.

b. The employment chapter of the Third Plan was redrafted by LASA team members to better reflect data and analysis generated by the project.

c. The 1979 Donor's Conference resulted in a request for a reformulation of the agricultural chapter to be followed by a Donor's Conference on agriculture in 1980. As this process began, LASA research was uncovering a number of trends and developments which had not been incorporated into the first version of the plan. Among them were climatic trends, an employment crisis, population growth, the possible impacts of the 1979 Land Act and others. In order to provide a balanced long-term framework of priorities within which planners could operate, LASA drafted what would later serve as the first chapter of a perspective plan. The paper projects trends in many national parameters and their interrelationships over the next 20 years. In addition to identifying development priorities in the areas of employment, income growth, food supplies, and resource conservation, the paper is the first document

to explicitly identify a probable long-term chronic worsening of income and asset distribution. In view of the destabilizing potential of this probable trend, it has been suggested that programs to enhance or maintain equity receive a priority equal to that accorded employment (See LASA Discussion Paper No. 9).

d. A fourth major thrust in support of planning is the assistance given to Lesotho's growing policy emphasis on decentralization through LASA's lead role in the Decentralization Workshop, which is discussed in the following section.

e. Finally, in support of decentralization the Permanent Secretary MOA, asked in the Tripartite Review for LASA to prepare a regional data book. Since such data is constantly evolving, no single compilation can be considered the final statement. Nevertheless a compilation of agriculturally related data by districts was prepared representing existing data and LASA analyses as they were available at the close of the field phase of the project. It is our intention to augment this first draft with new data as it becomes available during the next two months of the ASA effort. The more complete volume will constitute one of the final products from the project.

2. Decentralization and Regional Planning Efforts

Under the general title of "decentralization," regional- or district-level planning and management represents one of the current major thrusts of government planning in Lesotho. The topic was identified early as suitable for LASA input and is an area where close cooperation with MOA has been achieved. Among the various early activities are:

- participation in the organization and planning of Thaba Tseka District, a new administrative district where pilot efforts for local administration are underway,

- district data identification and acquisition to support regional or district-level planning; and

- coordination with urban and regional planning programs, underway at the National University of Lesotho.

Decentralization efforts were capped in July, 1980 by the National Workshop held at Roma in which more than 90 registrants, including 14 of the 16 Permanent Secretaries, representing a cross-section of senior government administrators, deliberated in plenary sessions and four workshops: "Personnel

Recruitment and Training," "Financing Decentralization," "Managing Decentralization at the Local Level," and "Local Participation." Resource persons from Lesotho and others supported by USAID from abroad added technical expertise and foreign experience. It was generally agreed that the Workshop was an outstanding success. It produced remarkably detailed and far-reaching policy recommendations and guidelines for decentralization that are now being considered by Cabinet.

The Workshop was initiated jointly by M. Morojele, Chief Planning Officer, MOA, and G. Wilken, LASA Project. John Harbeson (USAID) spent a week in Maseru helping the Steering Committee establish objectives and procedures, and another ten days during the actual Workshop. He also coordinated USAID support activities that included resource persons from Botswana and the United States. Jim Dunn (Agricultural Officer) and Ken Sherper (Assistant Director) of the USAID-Maseru mission skillfully managed local support and coordination with Washington D. C. Other resource persons were drawn from local institutions such as NUL.

It should be noted, however, that although expatriates made substantial contributions, the Workshop organization and conduct were primarily achieved by the Steering Committee made up of representatives from the Ministries most concerned with decentralization, and by Workshop participants from all the ministries and many other institutions in Lesotho. The Workshop was truly a local achievement and a local success.

The Workshop can count some outstanding contributions to its credit:

a) it produced a set of remarkably detailed and far-reaching policy recommendations and guidelines for decentralization.

b) it achieved a very high level of cooperation and understanding among ministry representatives on a difficult subject.

c) it served as a very educational procedure, in which not only general principles but also particular aspects and viewpoints on decentralization were developed.

d) it proved to be an effective procedure for developing policy recommendations. In this it was unique in that senior civil servants actually had a major role in developing policy commendations for Cabinet, and the administrators who would be most effected by decentralization were instrumental in forming that policy.

Workshop recommendations are now being considered by Cabinet. But regardless of the ultimate outcome of these recommendations, it seems likely that the Workshop will remain as a model of intra-governmental and donor agency cooperation, and of an efficient method for developing policy recommendations and guidelines.

Written Output: Formal Planning Efforts

"Agriculture," Chapter in Third Five Year Plan, Kenneth Leathers and Jerry Eckert. (Several drafts between October, 1979 and March 1980).

"Manpower and Employment" Chapter in Third Five Year Plan, Jerry Eckert, January, 1980.

The Future Environment for Agricultural Planning, LASA Discussion Paper No. 9, Jerry Eckert and Joe Mohapi, June, 1980.

"Resource Differentials in Lesotho: A Collection of Selected District Statistics," internal MOA Document, compiled by M. T. Phoofolo, Jerry Eckert, and Matsiea Morojele, Ministry of Agriculture, August, 1980.

"Interim Determination of District Populations in Lesotho in 1976." (District populations adjusted for new Thaba Tseka District.) Gene C. Wilken. LASA/MOA, June 1980.

Documents associated with planning, organization, and conduct of the National Workshop on Decentralization included various minutes, schedules, memoranda, and special instructions, such as;

"Recommendations on Content and Format for Seminar" (John W. Harbeson, USAID)

"Suggested Terms of Reference for Workshop Chairmen" (Don Russell, NUL)

"Guidelines for Chairpersons: Decentralization Workshop" (Gene Wilken, LASA)

and draft reports of plenary sessions and workshops. Following editing and review, these will be submitted to Cabinet.

G. Data Base Improvement

Most work toward this LASA objective is also reported under other subject matter headings. It is summarized here to draw attention to the overall scope of the effort. Individual items include:

1. The validation of Bureau of Statistics cropping data so that they could be used with confidence in deeper analyses (reported under "Cropping").

2. The computer entry and storage of long time series of related climatic data. These now permit several different types of cropping-related analyses (reported under "Geographic Analyses").

3. Processing of raw questionnaire responses from area-based projects into useful tabulations shedding new light on rural household dynamics (reported under Micro-Analyses at Household Level).

4. Cooperation with Bureau of Statistics as a recurrent activity throughout the year. Principal emphasis was in refining and improving field questionnaires and tabulation programs for the 1980 Agricultural Census.

5. Similar assistance was provided BASP with respect to their baseline and agro-economic surveys.

6. A particular statistical problem arose with the creation of the Thaba Tseka district. The new district was formed from parts of five existing districts. As a result previous compilations of data into nine district totals became obsolete. LASA initiatives led to the retabulation of several items on a 10 district basis (including Thaba Tseka).

   a. Data from the 1976 Population Census was reworked to determine the population of the new district as well as residual populations in the districts from which land area was transferred to Thaba Tseka.

   b. Conservation Division maps of soil series in Lesotho were planimetered to yield total areas of each soil series in each of the ten districts. These are being further analyzed for productivity differentials as an aid to regional planning.

   c. A similar effort was completed on Professor Phillips' Gross Bioclimatic Units Map.

7. The regional data book reached first draft status prior to departure of the LASA field party from Maseru. This draft was needed at that time for use in the training program for district planning officers. (Reported under "Planning.")

H. Micro-Analyses at Household Level

Mr. Tribble, a graduate research assistant member of the field party, carried the lead in this dimension of the Sector Analysis effort during the year. His initial efforts concentrated on data collection and analysis relating to rural equity and labor absorption issues. Work on the coincidence of skewness in land and livestock distributions contributes a significant foundation for understanding differentials in development potential among households.

The analytical effort then broadened to include analysis of the life cycle of the typical Basotho household. Existing literature and LASA analyses suggest that definite patterns exist through time with respect to accumulation and disposal of land and livestock, and off-farm sources of income. The balance of resources existing at particular stages of household existence specifies the potential for development of the household. The resulting analyses when complete should provide strong support to policy formation in areas of identifying target groups for development and tailoring the availability of government services to meet specific needs.

Tribble proceeded to develop initial hypotheses utilizing previously unprocessed field data from the Thaba Bosiu project, then broadened the empirical base with similar data from the Hololo Valley and Senqu River Projects. The work has progressed to the point where it will support Mr. Tribble's Ph.D. dissertation effort as well as a policy and strategy oriented chapter in the ASA. In this regard, Mr. Tribble produced an internal LASA document, "Distribution of Land and Livestock Assets and its Feasible Impacts on Factor Productivity and Production in Lesotho Agriculture," completed during Fall 1979. In order to broaden the data base on the subject as well as that for labor absorption in agriculture, Mr. Tribble and Dr. Wykstra spent considerable time during the year working collaboratively with BASP's Chief Economist in structuring questionnaires for BASP's baseline and agro-economic surveys.

I. Colorado State University Visitors

Dr. Ron Wykstra spent 30 days in Maseru during November and December 1979. His activities during this period included guidance at the initial stages of Mr. Tribble's household research effort and further work with Dr. Eckert and others on the several sub-components of the labor research program. In addition, Dr. Wykstra presented a seminar at the National Uiversity of Lesotho and travelled to the Durban area for professional discussions with scholars in employment and development at the University of Natal.

Dr. Forrest Walters visited Lesotho during the period August 15-29 at the request of the Permanent Secretary to advise on the several proposals before the Ministry concerning the organization and structure of agricultural marketing. Since independence, the Government of Lesotho has formed new marketing agencies to facilitate the marketing of nearly all of the major agricultural products of Lesotho. The viability and costs of selected agencies are now being questioned. In response to viability and cost questions, Dr. Walters made tentative suggestions related to levels of services offered by marketing agencies as well as to reorganization of marketing agencies. With respect to the level of marketing services, a prioritization system was recommended to emphasize direct lines of functional responsibility. A copy of Dr. Walter's report is presented in the appendix.

Ms. Kay Bolls, project secretary in Fort Collins, spent approximately two months in Maseru during the December 1979-January 1980 period gaining field experience in project operations, relationships with funding agencies and the Ministry of Agriculture. Her TDY was scheduled to overlap Mrs. Eckert's home leave period.

The Project Director, Dr. Ken Nobe, was in Maseru throughout the month of January and part of February, 1980 participating in a number of project management decisions. While in-country he worked closely with William Merrill and Richard Suttor who constituted the USAID evaluation team that examined the LASA project in the last two weeks of January. Dr. Nobe presented a seminar to the Environmental Management Class at NUL. He also travelled to Cape Town for professional discussions with scholars at the University of Cape Town who are active in development projects and research efforts in Lesotho.

J. Training

Six LASA students completed Master's degrees during the year. They are:

1. L. T. Tuoane: Tom did his work at CSU under Dr. Forrest Walters. His degree was structured to provide an intensive graduate level experience in agricultural statistics. His Master's Degree thesis was entitled "An Improved Sample Design for Agricultural Surveys in Lesotho." Immediately upon return to Lesotho he was placed in charge of directing the 1980 Census of Agriculture. Shortly thereafter he was promoted to the post of Director, Bureau of Statistics. Joseph N. Mahapi, who had worked closely with LASA while posted in the Planning Division, MOA, succeeded Tom as Agricultural Statistician with the BOS.

2. Mampiti Nchapi: Mampiti worked under Dr. Ron Wykstra at CSU, focusing her research programs on employment issues at the national level. Her technical paper for the Master's Degree, entitled "A Critical Analysis of Manpower Utilization Issues in Lesotho," was reissued as a LASA report as reported above in the section on employment. Miss Nchapi has resumed her duties in the Agricultural Section of the Central Planning and Development Office (CPDO).

3. Mamaria Motsomai: Mamaria completed her degree under Dr. Melvin Skold. Her technical paper, "The Principle of Comparative Advantage in Lesotho Agriculture," provides a fundamental concept in support of regional planning. We hope to issue this paper in the LASA report series shortly.

4. Marabe Phoofolo: Marabe completed his course under Dr. Glenn Johnson and his drafting of his thesis under Dr. Stan Thompson at Michigan State. Phoofolo has returned to Maseru. His graduation is still pending receipt by MSU of acceptable revisions to his thesis draft.

5. Manapo Mashoeshoe: Manapo encountered difficulties in finding time for thesis completion due to her promotion to Permanent Secretary. Nevertheless, with a part time study leave authorized by the Senior Permanent Secretary, she completed her technical paper and defended it during Dr. Nobe's visit in January 1980. Her technical paper was entitled "An Analysis of Development and Administration of Planning for the Agricultural Sector in Lesotho" and provided good background for her present expanded responsibilities in economic policy and planning.

6. Maurice Phakoana: Maurice completed, and was examined on, his technical paper during January along with Ms. Moshoeshoe. Maurice's paper focused on an economic analysis of the cooperative Crop Production Program of which he remains Director.

One student remains abroad. Nomonde Mapetla continues work on her M.S. at Ball State University and expects completion during the present academic year.

K. Personnel Movements

1. Two LASA students, Yolisa Zeka and Liako Moahloli, left the Ministry of Agriculture. They both remain in Government, however, where their talents are being applied in the Lesotho National Development Corporation and the Agricultural Development Bank, respectively.

2. Richard Bowen ended his tenure as project coordinator.

3. Kenneth and Roxanne Leathers left the project in March to assume academic appointments at Lincoln University in New Zealand.

4. Romie Tribble completed his work on the data collections in Maseru and returned to CSU in time to enroll in Fall Semester courses.

5. Gene Wilken, Betty and Jerry Eckert left Maseru at the end of August bringing the field phase of the project to a close.

Part IV. Summary and Conclusions

A. Summary

Overall, the AID-funded Lesotho Agricultural Sector Analysis Project has made satisfactory progress in most program elements during the fourth year of its expected four-year duration. Although less effort was expended on the development of formal models for agricultural sector analysis than had been expected at the initiation of the project, the adjustment toward less formal approaches to sector analysis is in line with the recommendations of the AID interim evaluation team (as specified in their revised report of July 27, 1978). Following the Tripartite Review in late 1979, however, the major focus of the field party shifted back to the agricultural sector analysis effort. Excellent progress has been made in achieving an overall project objective of assisting in the development of the technical capacity of the Government of Lesotho to design, implement and utilize sector and policy analysis in its agricultural development planning efforts and direct inputs were made in formal planning efforts, including chapters in the Third Five Year Plan and in efforts to decentralize planning efforts to the District level. Progress was also achieved in response to a secondary objective of establishing a long-term relationship between the Ministry of Agriculture and the Department of Economics at Colorado State University. And, finally, excellent progress was made in the Basotho student training program which was designed to help achieve both the primary and secondary project objectives outlined above.

AID budget allocations to Colorado State University for funding of project activities through September 30, 1980 totaled $1,409,000.00. Total estimated expenditures for the same period totaled $1,274,317.43, leaving an unencumbered balance of $134,682.57. CSU's fiscal contributions, in the form of overhead foregone, totaled $121,357.48 which already exceeds the original budget figure of $99,800.00 by $21,557.48. Therefore, total project costs through September 30, 1980 totaled an estimated $1,395,674.91, with AID's share thereof amounting to 91.3 percent. With AID budget savings taken into account during the fourth year of the project in the amount of $134,682.57, and additional estimated CSU contributions of $33,942.52, the total remaining funds available for the remaining life of the project are estimated to be $168,625.09. On the basis of the preliminary budget prepared for the last year of the project, it now appears that the remaining level of available funds will be sufficient to complete all scheduled project activities.

B. Conclusions

1. The Project continued successfully toward meeting its primary and secondary objectives during the fourth fiscal year through direct involvement in formal planning, regional and sectoral analyses, active participation in daily workloads of the Planning Division and formal degree training for selected Basotho and U.S. students.

2. Six Basotho completed Masters degrees during the fourth year. When combined with two BS degrees previously awarded and one MS nearing completion, the Project will have significantly exceeded its original objectives in formal degree level training. That the educations of these students is making an active contribution in Lesotho is evidenced by the promotion of six of these individuals to positions of substantially enhanced responsibility within the GOL. A seventh promotion is believed imminent.

3. Data collection drew to a close with the termination of the field phase of the project. The field team has successfully assembled what is undoubtedly the best collection of technical material and policy documents in existence on Lesotho's agriculture. The resulting sector analysis, to be completed during the fifth year, should provide new understandings and insights in many dimensions, and consequently a sound technical foundation for agricultural development policies and strategies of sustained significance. Preliminary analyses are already in use in the Third Five Year PLan, the recent agricultural employment strategy, GOL regional planning efforts and in the foreign assistance planning of FAO, UNDP, USAID and the World Bank.

4. Library development objectives have been met and exceeded. Not only is an excellent collection (more than 4000 items) available and in use but the library is also the "Focal Point" for FAO's agricultural information system in Lesotho. It has been identified for further assistance by USAID and Danish Aid, two Basotho librarians have been trained, initial relationships established with users and library colleagues at NUL, the National Library, libraries at LAC and Agricultural Information and the University of Cape Town. Finally, the library effort was instrumental in the initial planning of a national agricultural information program.

5. Satisfactory progress was made toward institutional development objectives. An institutional structure was developed through establishing an organization and staffing plan to upgrade the Planning Unit to the Planning Division. This

organization is being implemented as funding for staff becomes available. The functions of long-term planning, evaluation and policy analysis are explicitly included in the terms of reference for the Division. Active participation of LASA members (Basotho and American) in the many daily jobs of the Planning Division demonstrated the utility of an analytical approach. The Planning Division is now beginning to coalesce into an effective planning and policy analysis body. This capacity was evident first in the development of the MOA response to the proposed use of "self-sufficiency" as the fundamental theme for the Third Plan. It continued to develop in the Third Plan formulation, broadened to include the whole MOA leadership in the formulation of a definitive employment strategy for agriculture and embraced all ministries in the Decentralization/Regional Planning Workshop which was led by the MOA. The trend toward systematic planning is also evident in current efforts to reorient the extension service and to reorganize the entire MOA. Agriculture's lead in employment planning has spawned a government-wide effort toward a national employment strategy. While the process of institutional change is not yet complete, it is very definitely underway.

6. The LASA Project has thus far affected the foreign assistance effort in Lesotho through identifying development priorities (especially the surfacing of employment and income distribution crises); through project development activities (planning assistance and conservation and range projects of USAID/M); through generating additional support to Planning Division activities (forthcoming Danish assistance to library, USAID assistance with data processing equipment); through participation in USAID programming efforts (CDSS review, multiple informal inputs in Maseru); and through participation and substantive inputs to many other donor program planning efforts (JASPA Mission, ILO Labour Intensive Programme design team, IBRD Agricultural Sector Review Mission, Multi-Donor Agricultural Policy Mission, FAO Livestock Projects Mission, etc.). The principal contribution in the near future appears in the expected widespread utilization of the agricultural sector analysis as a cornerstone of agricultural planning, program and project efforts.

Part V. Appendices

A. LASA Project Quarterly Progress Reports

1. Report for October/December 1979.

2. Report for January/March 1980.

3. Report for April/June 1980.

B. Walters, Forrest, 1980. "Organization of Agricultural Marketing Agencies in the Lesotho Government." TDY Report, August 28, 1980.

APPENDIX A

LASA QUARTERLY PROGRESS REPORT
October-November-December 1979

LASA/Maseru

1. TRIPARTITE REVIEW

On July 15, the Acting Permanent Secretary sent forward to Central Planning a request for a two-year extension of LASA complete with an itemized list of components for the extension. Central Planning requested a Tripartite Review of the project before forwarding the request to USAID. After considerable scheduling delays the review meeting took place during December in three sittings, as follows:

December 13	Presentation by LASA of LASA's history to date, with proposals for activities for the balance of Phase III.
December 17	Presentation and discussion of MOA views as to LASA extension and balance of Phase III.
December 27	Presentation by LASA of outline of partial sector analysis which is considered feasible during the first eight months of 1980. (See Appendix I).

These discussions were followed by a second letter from P.S. (Agriculture) detailing a somewhat modified list of components for the proposed extension. As the quarter ended the arrivals in Maseru of Dr. K.C. Nobe and a USAID evaluation team were awaited in order to pursue these discussion to a conclusion.

2. LABOR AND EMPLOYMENT

Several activities took place during the quarter in furtherance of the analysis in this important area. First, Romie Tribble continued his analysis of resource distribution among rural households to establish an analytical frame for his analysis of labor use in agriculture. A decision was reached during the quarter to affiliate Mr. Tribble's effort with the BASP baseline study. Romie will assist BASP with tabulation and analysis in return for full access to their data related to rural labor use. Through this association both the BASP and LASA efforts will be strengthened.

Dr. Ron Wykstra visited Lesotho on TDY assignment for the month of November. While in Maseru he assisted in structuring the labor component of BASP's study and the integration of Tribble's thesis effort. He also completed three reports with Jerry Eckert, each of which adds a component to the overall manpower analysis outlined as attachment A to LASA Administrative Report No. 2. While there has been some adjustment to this earlier outline, items completed during the quarter include the following:

a. "Lesotho's Employment Challenge: Alternative Scenarios 1980-2000," by Jerry Eckert and Ron Wykstra. This paper quantifies probable employment generation needs for the economy of Lesotho over the next 20 years, highlighting quantitative estimates of the number of jobs required in agriculture during this period.

b. "Manpower vs. Machinery", forthcoming research report by Ron Wykstra and Jerry Eckert. This paper provides a summary of Dr. Wykstra's earlier work contrasting labor vs. capital intensive conservation technologies. This revised draft takes into account more recent estimates from the Labor Construction Unit as well as changes in the cost of capital equipment and fossil fuel that have occurred during 1979.

c. "Project Evaluation and Labor Absorption in Lesotho," forthcoming as a LASA Discussion Paper, by Ron Wykstra and Jerry Eckert. This paper develops a conceptual framework for including employment benefits in project evaluations.

3. STAFF DEVELOPMENT

Ms. Kay Bolls, Project Secretary in the Fort Collins office visited Lesotho for a two-month TDY replacing Mrs. Betty Eckert during the period of Mrs. Eckert's home leave, as well as overlapping with portions of the consultant visits of Drs. Wykstra and Nobe. In addition to providing needed secretarial services, Ms. Bolls' trip was partially justified as a training exercise in the light of her emerging commitment to a career involvement in international programs. This trip had been agreed to in July by the Mission Director, Mr. Frank Correl. In addition to routine training and experience within the Ministry of Agriculture, Ms. Bolls was briefed by USAID and others on the operations of Aid Missions and their relationships with host governments. She also typed the penultimate agricultural chapter of the Five Year Development Plan as a direct contribution to an urgent Planning Division need.

4. 1979 DONOR'S CONFERENCE

This conference, the third of its kind, was held November 5-9 in Maseru. Its purpose was to present to the entire donor community the penultimate draft of the Third Five Year Plan. LASA was actively involved in preparing for and drafting the MOA's presentation. In response to donor's questions, Dr. Wilken gave a well received summary presentation of progress and present status of his efforts to develop a group of interacting specialists in different ministries with a coordinated set of research efforts on agroclimatology.

The conference closed with a call for a special Donor's Conference on Agriculture in July 1980. At the request of the Permanent Secretary, many of LASA's on-going components of sector analysis will be brought to completion in order to provide substantive background for these forthcoming discussions.

5. CONSULTATION WITH VISITING TEAMS

Several visiting agricultural teams and other specialists drew on the services of LASA team members during the quarter.

a. The International Fund for Agricultural Development (IFAD) visited Lesotho twice during the period to develop a program of assistance to the marketing of agricultural inputs in Lesotho. Several of their team spent many hours with Leathers and Eckert for data, analysis of the cropping subsector and program suggestions.

b. The USAID project design team for Land Conservation and Range Improvement did the same thing at various times over the 3-4 weeks they were in town.

c. The largest amount of team time was spent with the World Bank Agricultural Sector Review Mission. Their introductory, all day briefing was provided by LASA, followed by intensive sessions throughout 20 days with all of their members. Much of the preliminary data from partially completed sector analysis efforts were volunteered and are now being incorporated into the Mission's report.

d. Mr. Hector Garcia served a two-week consultancy for USAID in Maseru to identify labor intensive small scale enterprises which might be viable. Similarly, Ms. Pixie Ross of REDSO did a report in Maseru on aspects of employment. Both consultants drew heavily on LASA's analysis and data base as well as many hours of our time for consultations.

e. All of the above groups made considerable use of the LASA library. The Word Bank team, in particular, drew upon holdings therein throughout their visit.

6. MARKETING STUDY AND TRAINING

An egg glut in Lesotho caused considerable concern in the Ministry of Agriculture. The Marketing Section of the Planning Division was assigned to analyze the situation and provide recommendations. Mrs. Leathers, Liako Moahloli and Mamotena Marathane initiated a field study of Egg Circles (the egg retail outlets) to gather primary data for the analysis. There followed a detailed examination of production costs, transportation and marketing costs, retail prices, and other facets. At the end of the year, the report was in draft awaiting approval. This effort included considerable on-the-job training for the Basotho involved in research methods, field interview techniques, analysis, etc. It is expected that this effort will provide the beginnings of a marketing chapter for the ASA.

7. HOUSEHOLD COMPONENT OF SECTOR ANALYSIS

Work began with Ken Leathers and Yolisa Zeka on developing the household life cycle hypothesis as an explanatory tool for resource differentials among households. This effort, which merges with work by Eckert on the resource position of the typical Mosotho household and work by Tribble on the correlations between livestock and land ownership, will form a key component of the ultimate sector analysis. That analysis should contain a characterization of decision making and resource management in a Mosotho household which will underpin the effective use of indirect incentives as a policy tool for agricultural development.

8. ECONOMICS OF DRY LAND FARMING

Ken Leathers continued his analysis of dryland farming, devoting almost full time to the questior toward the end of the period. Basic data have been collected and computer analyses run. Parts of the three volume report have been drafted. Crop budgets from this effort are in use in the Planning Division and by the donor community. This effort is proceeding with P. Fanana as counterpart in an on-the-job training capacity.

Analysis continued on the Cooperative Crop Production Program (CCPP). This effort is being undertaken by Maurice Phakoana, CCPP Director, assisted by Ken Leathers and Jerry Eckert, as a technical paper in partial fulfillment of Maurice's requirements for the M.Sc. degree.

9. THABA-TSEKA LIAISON

Gene Wilken continued active service on the Thaba-Tseka Coordinating Committee (as Advisor to the Chairman). The committee is continuing its efforts to:

a. establish district level management of all ministerial functions,

b. transfer management and financial responsibilities from the CIDA project to the district administration,

c. develop problem resolution procedures,

d. establish procedures for urban planning in the Thaba-Tseka headquarters area.

Wilken was appointed to the Urban Development Sub-committee to contribute directly to this latter effort.

10. AGRO-CLIMATOLOGY

Gene Wilken was identified as a delegate to the Southern African Regional Commission for the Conservation and Utilization of the Soil (SARCCUS), the Sub-committee for Agrometeorology and Climatology. Activities during the quarter included preparation for the forthcoming meeting of this sub-committee.

11. OVERSEAS TRAINING

Two students were sent to Natural Resources College in Lussaka, Zambia to begin a three-year diploma course in agricultural business management. This is the same course that provided Ms. Moahloli very good preparation prior to her completing a B.Sc. at CSU. Both of these two girls recently sent will return to the Marketing Section of the Planning Division. LASA funding is committed for support for one year only.

12. PUBLICATIONS

Additional reports appearing during the quarter included the following:

a. Wilken, Gene C., Profiles of Basotho Farmers, LASA Discussion Paper No. 8., June 1979 (released December).

b. Wilken, Gene C., 'Matsaba J. Leballo, Betty J. Eckert, Makhothatsa Motleleng and Kay J. Bolls, Catalog of Holdings and Other References in the Lesotho MOA/LASA Library, LASA Research Report No. 5, December 1979 (released February 1980).

13. PLANNING DIVISION ORGANIZATION

The organizational structure of the Planning Division was modified during the quarter to include the Marketing Unit as a section within the Planning Division. This unit had formerly reported to the Permanent Secretary's office. In order to incorporate it within the Planning Division, terms of reference were developed which necessitated thorough discussions of alternative roles and functions for such a marketing unit. An additional effort related to the organization of the Planning Division was the preparation of a slightly revised set of terms of reference for the Evaluation and Monitoring Section.

14. SPECIAL TRAINING

Finally, a special training experience was organized for Miss Moshoeshoe and her successor as Planning Division Chief, Mrs. M. Morojele. A three-day field trip was undertaken to Pretoria during which time these two received intensive briefings from the Office of the Economic Advisor to the Prime Minister and some selected divisions and sections of the Ministry of Agriculture, Government of South Africa. Discussions focussed on national policy formation, economic and sectoral planning, the necessary relationships between ministries and between government and farmers for the effective planning and related topics. Their reception was extremely cordial and the briefings and discussions quite open and detailed. This was apparently the first time that economic planners from a majority ruled country in southern Africa had been able to receive this type of a cooperative briefing by top level South African policy makers.

LASA/Fort Collins

1. TRAINING AND ASSESSMENT OF TRAINING NEEDS

The major on-campus activity continued to center on student training activities and on an assessment of future training needs. During fall semester, Mamaria Motsamai and Mampiti Nchapi were enrolled in our continuing seminar on economic development, EC 792-CV. The course was directed this time by Dr. R.K. Sampath, a Visiting Professor and formerly the Training Program Officer for the Ford Foundation in India. Both students completed the bulk of their formal course requirements for their Masters' degrees and significantly improved their grade point averages during fall semester. Progress was also made in defining their technical paper topics and actual writing is presently underway.

Tom Tuoane completed his thesis and defended it successfully in a final oral examination on October 4, 1979. He was formally awarded the degree at the end of fall semester. To date, he has compiled the highest G.P.A. of any of our Basotho trainees; e.g., a 3.68.

John Gold, former Coordinator for the Project, returned to campus from his new assignment in Zaire to defend his technical paper. He passed his oral examination and will be awarded the Master's degree upon submission of the final copy of his technical paper.

Considerable effort was devoted by K.C. Nobe and R.K. Sampath during fall semester to develop a proposal for a non-degree year-long training program in parogram management, policy analysis and project evaluation which is designed to service developing country personnel. Considerable use was made of our training experience from the LASA Project in this endeavor. A proposal for partial budget support was submitted to CSU under the auspices of the Title XII strengthening grant and it was approved for the first year of operation. If everything goes according to plan, this non-degree program will be operational by the start of fall semester 1980 and will be available for use by selected Basotho and other government employees in developing nations.

2. PROGRAM PLANNING

Dr. Nobe traveled to Washington, D.C. in early December for preliminary discussions with DSB and Africa Bureau representatives relative to a possible extension of the LASA Project beyond August 31, 1980. At the time, final plans were also made for the visit of the AID Evaluation Team which is scheduled to make an in-country review of the LASA Project in late January. Dr. Nobe will also be in Lesotho at that time to participate in the review and assess options for possible extension of the Project.

3. PUBLICATIONS AND REPORTS

K.C. Nobe and D.W. Seckler, An Economic and Policy Analysis of Soil-Water Problems and Conservation Programs in the Kingdom of Lesotho, LASA Research Report No. 3, Ministry of Agriculture, Kingdom of Lesotho and Department of Economics, Colorado State University, September 1979 (released in October).

K.C. Nobe and Jerry Eckert, Annual Administrative Report for the Lesotho Agriculture Sector Analysis Project, LASA Administrative Report No. 3, Department of Economics, Colorado State University, October 1979.

Jerry Eckert and Ronald A. Wykstra, Lesotho's Employment Challenge: Alternative Scenarios, 1980-2000 AD, LASA Discussion Paper No. 7, Ministry of Agriculture, Kingdom of Lesotho and Department of Economics, Colorado State University, December 1979 (released in February).

Liako B. Moahloli,"A Case Study of Lesotho's Produce Marketing Corporation,"August 1979. (Note: This paper was prepared as part of a Special Studies course for her major professor, Forrest Walters. Professor Walters was impressed with the quality of this report and has recommended that it be released through the LASA discussion paper series so as to give it greater distribution and visibility.)

LASA QUARTERLY PROGRESS REPORT
January-February-March 1980

1. LASA EVALUATION

During January a project evaluation team organized by USAID visited Maseru. The team was composed of Dick Suttor of DSB, who serves as the project monitor presently and Bill Merrill from Iowa State University, who was project monitor during the design and first two years of LASA. They were assisted in Maseru by Jim Dunn, agricultural officer with the USAID Mission. The project director, Dr. K.C. Nobe, visited Lesotho to participate in this evaluation.

The evaluation team reviewed results of the Tripartite Review. They were fully briefed on project activities by the field team, however, the main thrust of their evaluation was indepth interviews with each person who had been affiliated or associated with the project for the last four years. Intensive discussions were held with the Ministry of Agriculture and Central Planning and Development Office to evaluate the project's output on several different objectives. The results of this evaluation were finalized and circulated in February. Since most recipients of this report have already read the evaluation, it is not appended.

Two recommendations emanating from the project evaluation are being further developed at the present time. The first was the recommendation that Phase III of the present project be continued for 12 months utilizing unexpended funds from the present appropriation to complete a sector analysis. The proposal assumes that this effort, if approved, would occur on the CSU campus utilizing all of the inputs collected during the field phase of the project plus the Ft. Collins version of the library. At the close of the quarter this proposal has been officially submitted by the Project Director to Washington and we are awaiting approval. (Appendix A.) Secondly, it was felt that agricultural planning is sufficiently important to Lesotho that further support to this effort constitutes an indispensible portion of the overall foreign assistance package. Consequently, Mr. Suttor, working together with Mr. Dunn, has prepared a PID identifying a new project for support to the Planning Division of the Ministry of Agriculture. The potential new project, considered a follow-on to the LASA effort, is very heavily balanced toward training; however, it does include a substantial portion of technical assistance in the form of providing line officers to the Planning Division to fill needed roles while Basotho are abroad for training. A project design team is expected in June of this year.

2. STAFFING PROBLEMS

During the quarter under review six Basotho resigned from the Planning Division. Unfortunately these individuals represented much of the highly motivated and trained talent available to the Planning Division. Individuals who resigned include Joe Mohapi, Lebise Lekholoane, Thabane Ramatete, Yolisa Zeka, Liako Moahloli, and P. Fanana. Unfortunately,

this group includes both students trained at CSU, the only Planning Division member with a completed Masters degree (Mr. Mohapi has a Masters in economic forecasting), one section head, plus the individual who worked longest and most closely with Ken Leathers. The LASA team leader has interviewed most of these people in depth concerning their reasons for departure. In no case were salary differentials mentioned although most have managed to improve their pay scale. All the identified problems revolved around issues of job satisfaction and personnel management. It has become very clear during these three months that the Planning Division faces a crisis in this regard. Jerry Eckert discussed this situation for several hours with the Permanent Secretary; however, a fully developed plan for resolving these critical questions has not yet been developed.

3. STUDENT EXAMINATIONS

Maurice Phakoana and Manapo Moshoeshoe each were examined orally on their Master's degree technical papers January 23rd during Dr. Nobe's visit to Maseru. Their examining committee was composed of Drs. Nobe, Eckert and Leathers from the Department of Economics and Dr. Lowdermilk as an external member from the Department of Sociology. Dr. Lowdermilk was unable to visit Lesotho for the examination, however, he submitted written questions to be answered in writing by each candidate. Dr. Robert Butler, team leader of the Farming Systems Project and a Ph.D. graduate from the Sociology Department at CSU, sat in on the oral examinations in proxy for Dr. Lowdermilk. Both students' papers were in the penultimate draft stage at the time of the examination. Both students successfully passed their examination pending completion of final drafts. Their papers were completed during the quarter and submitted to Ft. Collins on April 2nd. Their written responses to Dr. Lowdermilk's questions were returned to CSU for evaluation earlier in March. Note: Dr. Lowdermilk presented an A grade in both cases on April 9 and their degrees will now be awarded in May 1980.

4. LIVESTOCK ANALYSIS

During March 1980 an FAO livestock team visited Lesotho to conduct a review of the livestock subsector as background to several pending FAO investment decisions. Jerry Eckert was affiliated with this team as an MOA representative. This affiliation was sought to effect a substantial beginning to the analysis of the livestock sector scheduled for the ultimate sector analysis document. Over a period of three weeks the full team examined most facets of the livestock industry with outstanding cooperation from staff members of the Livestock Division, MOA. The resulting report, now being drafted in Rome, should contribute measurably to both FAO and LASA objectives.

5. WORK PLAN FOR THE BALANCE OF PHASE III

As a result of the project evaluation in January and February, the LASA team was requested by USAID and the Government of Lesotho to prepare a detailed scope of work covering activities remaining to complete an adequate agricultural sector analysis. The resulting document is attached as Appendix B. In order to prepare this scope of work as well as to respond to observations made by the evaluation team, a

tentative outline of the sector analysis was prepared. This was then further refined to indicate scope and content of each major chapter as well as to assign lead and supporting responsibilities. The scope of work completed further reflects the conclusions of the evaluation team and the LASA field team that an adequate sector analysis could not be completed by August 31, 1980. This scope of work, therefore, includes activities for the following year and constitutes one of the supporting documents for the proposed 12-month extension of Phase III mentioned in Item 1 above. (Note also the revisions listed in Appendix A.)

6. COLLABORATION WITH MULTI-DONOR MISSIONS

In the Donor Conference of November 1979, the request was officially made by the donor community and approved by the GOL for a separate conference/workshop on agriculture to be preceeded by a multi-donor agricultural sector review team. The FAO livestock study mentioned above was one of the components of the multi-donor evaluation mission's overall effort. In addition, Mr. Stuart Taylor, FAO consultant, has been in Maseru since mid-February preparing for the arrival of various other components of the multi-donor effort. Jerry Eckert has been working with him on this exercise on a daily basis.

The third activity to occur thus far has been the return to Lesotho of a team from the World Bank with a draft of the World Bank's agricultural sector review which was based on a six-week field effort of October and November 1979. LASA cooperated fully with this team on their earlier visit, providing them complete access to the preliminary results of analysis and research underway at that time. LASA has continued to take a lead role in providing MOA feedback and commentary on their draft report which in its preliminary form runs to several hundred pages. In addition, we have further contributed results of our more recent work so that while this "sector review" will have a World Bank cover, it essentially incorporates a great many of LASA's current analyses, insights and policy/strategy recommendations.

The team leader of the multi-donor mission, Dr. Starnes of the Rockefeller Foundation, will arrive in Maseru on April 9. We will continue our full cooperation whenever required throughout the forthcoming months to ensure that the forthcoming donor conference (July or August) will make adequate progress toward defining an acceptable and viable long-term agricultural development strategy. As part of our supporting efforts, we are attempting to bring several on-going research dimensions to the stage of a first or second draft in order that they might be explicitly considered by the multi-donor team. While this means that some of LASA's best analysis will appear first under World Bank or other covers, it is felt that the timing is such that this approach is necessary for our work to have maximum impact on Lesotho's agricultural sector.

7. THABA TSEKA LIAISON

Gene Wilken continued to participate in regular meetings of the Thaba Tseka Coordinating Committee (TTCC) in his capacity as Special Advisor to the Chairman. Together with Matsiea Morojele, Chief Planning Officer, MOA, they proposed a workshop on decentralization which was adopted by the Committee (see discussion of workshop in this report). Dr. Wilken also was appointed to the TTCC Urban Development Committee to review plans for the Thaba Tseka urban area and surrounding urban villages. Activities culminated in the formal inauguration of Thaba Tseka as the tenth administrative district (and first district created since independence) on 12 March 1980. The event was headed by the Queen, Prime Minister and principal officers of the various ministries, attended by several thousand villagers, and highlighted by outstanding examples of traditional Basotho ceremonial activities including shows of horsemanship and native dancing.

8. SOIL MOISTURE MODEL FOR LESOTHO

Under the leadership of LASA an advisory group consisting of representatives from Conservation and Research Divisions of MOA, Hydrological and Meteorological Branch, Ministry of Water, Energy, and Mines, Phuthiasana Project, and Farming Systems Research Project met to discuss a possible soil moisture and crop estimator model for Lesotho. Such a model is now possible since sufficient climatological data is available in computer form (see report on data acquisition). Several models already in use, such as one developed by FAO, may, with modifications, prove suitable for Lesotho. The advisory group divided the model into its components (e.g., soil moisture storage, consumptive use by crop plants, evaporation) for assignment to the specific participants. Future meetings will explore which model best suits Lesotho and what modifications will be necessary.

9. AGROCLIMATOLOGICAL DATA ACQUISITION

The program to reduce daily maximum and minimum temperatures and rainfall to computer format is complete. Data for twelve main stations in Lesotho, including all district headquarters, is now available for analysis (see report on soil moisture model for Lesotho). The program was helped considerably by the receipt of a computer tape of daily data for Maseru for the period 1950-1978 from the Department of Agricultural Technical Services, RSA, a result of negotiations at the SARCCUS meetings in Pretoria in February. Besides the soil moisture estimator model, the data will be used to develop even probabilities (e.g., frost dates and degree-day values).

10. DROUGHT WATCH

A drought definition and surveillance program first proposed for Australia and subsequently adopted in Botswana, was modified and proposed for Lesotho. The system permits early identification and monitoring of drought by means of station normals and deviations as derived from monthly rainfall figures. Initial reaction has been favorable and the system is being extended to include other districts in the agricultural lowlands.

SL

11. WORKSHOP ON DECENTRALIZATION

Under instructions from the Thaba Tseka Coordinating Committee and in anticipation of the implementation of national policy, Matsiea Morojele and Gene Wilken began organizing a workshop on decentralization of government planning and management. A steering committee consisting of representatives of those ministries most involved in decentralization developed a list of objectives and outputs. John Harbeson, USAID consultant, arrived on 19 March for ten days of conferences with the steering committee and with individual ministries to develop guidelines, workshop outline, and to incorporate inputs from US universities that under USAID cooperative agreements will participate in the workshop. A proposal for the workshop has been drafted and now awaits approval by Cabinet. Harbeson's report plus proposal is included as Appendix C.

12. DEVELOPMENT OF DATA TO SUPPORT DECENTRALIZATION

In addition to the other activities associated with decentralization (e.g., Thaba Tseka District, Decentralization Workshop) the basic task of developing data to support district planning and management continues. During the quarter a bioclimatic classification system was reorganized by district. Revised population figures to accommodate the new tenth (Thaba Tseka) district were developed. Planning for district agroclimatologies was considerably advanced with the completion of the project to convert district data to computer format.

13. AGROCLIMATIC HAZARDS AND RISK PERCEPTION

Preliminary analyses of the field survey of Basotho farmers' attitudes toward environmental hazards and their strategies for avoiding risk were completed and circulated. Initial reactions to this innovative survey have been favorable. Considerable analysis remains to be done but the basic data now are available, both in this report and in the local computer. The survey should provide a useful complement to studies of environmental event probabilities and frequencies, crop production, and agricultural yields, and of planning in the face of risk and uncertainty.

14. SARCCUS MEETINGS

Gene Wilken with P. Monese from Hydrometeorology and R. Ntokoane from Phuthiatsana were delegates from Lesotho to the meetings of the Subcommittee for Agrometeorology and Climatology of the Southern African Regional Commission for the Conservation and Utilization of Soil (SARCCUS) in Pretoria 12-13 February 1980. In addition to discussing general problems of the Southern African region (Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zimbabwe), particular emphasis was placed upon organizing a training workshop for next year. Lesotho's delegation took a lead role in planning and will also provide part of the teaching staff for the workshop. In addition, the meetings provided an opportunity to exchange information, including data (see section on data acquisition) with other member countries.

15. LABOR AND EMPLOYMENT

Romie Tribble continued his investigation of Lesotho's employment options pertaining to agriculture and rural development. The analysis of the distribution of productive assets in contemporary Sesotho agriculture is nearing completion. This study will form the institutional framework within which labor utilization and demand can be formally and empirically analyzed with respect to the Sesotho agrarian context. Hence, the previously mentioned affiliation of Mr. Tribble's dissertation research effort with the BASP baseline study will yield specific empirical data on labor utilization and labor demand pertinent to the testing of various hypotheses generated by Mr. Tribble on the employment of human resources in Sesotho agriculture.

As a spinoff to the analysis on the distribution of productive assets, Mr. Tribble has also begun to formulate several hypotheses which pertain to the project effort premised on the household component of sector analysis.

16. REPORTS DURING THE PERIOD

"Proposal for a Drought Watch for Lesotho." Gene C. Wilken, Maseru, LASA/MOA, January 1980, 11 pp.

"The Commercial Egg Industry of Lesotho." Agricultural Marketing Section, MOA, Maseru, Roxy Leathers, *et al.*, January 1980.

"Past and Future Roles of Settlements in Lesotho." Gene C. Wilken (special report to Chairman, TTCC), Maseru, LASA/MOA, January 1980, 20 pp.

"Lesotho's Employment Challenge: Alternative Scenarios, 1980-2000." LASA Discussion Paper No. 7, Jerry Eckert and Ron Wykstra, January 1980 (distributed)

"Gross Bioclimatic Units by District for Lesotho." Gene Wilken, Ken Leathers and Liako Selebalo, Maseru, LASA/MOA, February 1980.

"Agroclimatic Hazard Perception, Prediction, and Risk-Avoidance Strategies in Lesotho: Report of a Survey." Gene C. Wilken, Maseru, LASA/MOA, February 1980, 94 pp.

"Manpower vs. Machinery." (An analysis of capital vs labor intensive technologies in conservation) Ron Wykstra and Jerry Eckert, LASA Research Report No. 6, (approved for release), March 1980.

"Recommendations on Content and Format for Seminar on Decentralization." John Harbeson, USAID, Maseru, 28 March.

"District Populations of Lesotho in 1976 (preliminary)." Gene Wilken and T. Phoofolo, Maseru, LASA/MOA, March 1980, 7 pp.

"South Africa's Mine Wages in the Seventies and Their Impact on Lesotho's Economy." Jerry Eckert and Ron Wykstra, LASA Discussion Paper No. 9 (submitted for approval)

17. STAFF DEPARTURES

Ken and Roxy Leathers departed Maseru on 28 February having completed their tour. Just before departure, Roxy Leathers along with her colleagues in the Marketing Section, completed an analysis of egg marketing policies, programs and problems in Lesotho. She also conducted a literature search on the marketing topic as an input to the marketing chapter of the sector analysis. She is completing this effort in Ft. Collins prior to her onward departure for other employment in May. Ken Leathers completed a linear programming analysis of technological alternatives for dryland cropping in Lesotho before leaving Maseru. He is completing a report on this work during his two months in Ft. Collins.

18. STAFF DEVELOPMENT

Palesa Malealea, who has been working with Betty Eckert as a trainee for the last few months, successfully passed the GOL speed typing examination administered by the Lesotho Institute of Public Administration. Passing this examination qualifies her for an upgrading and higher salary within the GOL civil service. LASA is proud of Palesa's accomplishment and particularly her initiative and drive to improve her professional skills along career lines.

19. MISCELLANEOUS

Mr. T. Phoofolo, a COSC graduate from the local high school, has joined the project as a temporary daily paid research assistant. His duties to date have included assisting Dr. Wilken on the development of a regional data base, assisting Dr. Leathers in preparation of his dryland cropping analysis and working with Dr. Eckert on analyses of rainfall and crop yields, income and consumption patterns and other items. He is presently deputed to the agricultural section of the Bureau of Statistics as part of a LASA effort to provide a satisfactory interpretation and rationalization of the highly controversial crop yield statistics.

Colorado State University
Fort Collins, Colorado
80523

Lesotho Agricultural
Sector Analysis Project
Department of Economics

April 7, 1980

Richard E. Suttor
DS/AGR/AID
Department of State
Washington, D.C. 20523

Subject: Request for Time Extension, LASA Project, No. AID/ta-CA-1

Dear Dick:

This letter constitutes a formal request to extend the termination date of the LASA Project to August 31, 1981 without additional DS/AGR funding. This request is consistent with the primary action recommended by the AID LASA Project Evaluation Team in its report dated February 1980 and which was concurred in by Mr. Frank D. Correl, Lesotho AID Mission Director.

The second major action recommended by the Evaluation Team was the preparation of a Work Plan to cover the period February 1, 1980 to August 31, 1981; a preliminary work plan developed by Team Leader Jerry Eckert was attached to the Evaluation Report as ANNEX E. Following our discussion of this preliminary Work Plan in Washington last week and after further discussions of same with Chaka Ntsane, Acting Permanent Secretary of Agriculture, GOL, this past week in Fort Collins, I submit the following observations and modifications:

1. The activities scheduled for completion in-country by the Field Team prior to August 31, 1980 appear to be on schedule and are therefore accepted as presented in the preliminary Plan of Work.

2. The primary objective of the one-year extension of the project will be to complete an agricultural sector analysis report on campus. Secretary Ntsane and I are in agreement that, following completion of the senthesis portion of the report, the Chiefs of Divisions in the Ministry of Agriculture should be involved with us in identifying a set of viable policy action recommendations that can be implemented in the future within the Ministry.

3. The primary actions leading to the various sections of the final report, as outlined in the remainder of the preliminary Plan of Work,

are acceptable. However, it must be understood that all data collection will cease upon return of the team members to campus. An analysis made of the available data base will then be completed, with identification of data gaps and recommendations for follow up research made as needed.

4. Specific portions of the report outline which will necessarily require follow up effort by others beyond the project time frame include the following:

a. Chapter III. The Cropping Subsector, Sections A and B: "Integration of soil moisture, rainfall and temperature"--follow up efforts to be continued by the Farming Systems Research Team.

b. Chapter III, Section E, "Application of Model to Additional Policy Issues"--necessarily an ongoing activity to be undertaken by personnel in the Planning Division and the Office of the Permanent Secretary.

c. Chapter III, Section F, "Implications of the 1979 Land Act"--our analysis will necessarily be limited because of the delay in implementing the Act.

d. Chapter IV, Livestock--the analysis in this chapter will be severely limited because of data deficiencies; MOA plans to use consultants in this area of concern, however, and any additional data available by report completion date will be analyzed and included.

e. Chapter V, Marketing: "Analysis of Current Marketing Issues"--will also necessarily be a partial analysis because of ongoing study efforts by PMC and IFAD; in this instance, the Work Plan for the February-August 1980 period will likely be modified in order for Dr. Forrest Walters to present an overview assessment prior to the date of the Donors' Conference in July 1980.

f. Chapter VI. Employment and the Agricultural Sector--details of the prelininary report outline will be modified as needed in response to Miss Mampiti Nchapi's technical paper for her Master's degree.

g. Chapter VIII, Economics of the Farm Household--analysis will be limited primarily to data available from Mr. Rowie Tribble's Ph.D. dissertation effort; Item D will be left for final resolution by the MOA, with the assistance of the Farming Systems Research Team.

h. Chapter IX. Government Roles in Agricultural Development--this chapter is expected to include extensive inputs from Ministry Division Chiefs and the Office of the Secretary.

i. Chapter X. Looking Toward the Future--the timetable will be moved up so as to complete the background writing prior to January 1, 1981 so that it will be available for use in a proposed two-week workshop of the Ministry's Division Chiefs to be held on campus during January. (Assumes funding from the follow up project currently in the design stage.)

j. Chapter XI. Recommendations--a set of implementable recommendations are expected to emerge from the Division Chief's workshop; writing of this chapter will then be done during the February-April period.

5. Revised timetable:

a. February-August, 1980: continue with LASA activities as specified in the preliminary Plan of Work; in-country data collection to end in August.

b. September-December, 1980: complete analysis and write synthesis chapters of the ASA report; e.g., Chapters I through X.

c. January 1981: conduct a two-week workshop for Ministry Division Chiefs on campus, utilizing the synthesis chapters material and leading to development of tentative Ministry policy action recommendations.

d. February-April, 1981: complete Chapter XI, "Recommendations," and edit total review draft of report.

e. May 1981: Eckert to return to Maseru for internal GOL review and comments.

f. June-July, 1981: final revisions and editing.

g. August 1981: publication and distribution of final report.

If you have additional questions about the revised Work Plan and the new timetable, please let me know.

In summary, the overall purpose of the LASA activities planned for completion during the one-year extension are: 1) to provide a base reference point for Lesotho's agricultural development; 2) to provide a transition for other groups to carry on with ongoing research on major problem

issues; and 3) to involve MOA administrators in identification of viable alternative policy issues so that the major recommendations emanating from this project effort will more likely be implemented in the future.

Sincerely,

K.C. Nobe

Kenneth C. Nobe
Project Director

KCN/kb

cc: Jerry Eckert
Galen Frantz

APPENDIX B

WORK PLAN

Lesotho Agricultural Sector Analysis Project

February 1, 1980 - August 30, 1981

Objective:

To complete the present research program covering Lesotho's agricultural sector, its past, present and potential future, and to relate these results fully to major current issues of agricultural policy, program design and long-term development strategies for the sector.

Probable Outputs:

1. A completed agricultural sector analysis tailored to current development issues.

2. An in-depth analysis of the dynamics of Lesotho's farm households, prepared for use as a key determinant of policy.

3. Preliminary assemblage and analysis of regional data in support of regional planning and development efforts.

4. A monograph on concepts and practical problems of institution building - the lessons from Lesotho.

5. A book length analysis of employment problems and issues in Lesotho leading toward an overall employment strategy for agriculture.

Introductory Note

The term "sector analysis" means many things to different people. These varying definitions are often precisely articulated leading to very definite expectations as to content, methodology and format. No given product can meet everyone's expectations.

We propose below an outline of an agricultural sector analysis for Lesotho. The outline does not follow the standard format entirely. Instead we have tried to emphasize those issues which currently dominate agricultural development efforts in the country, and which seem to be those of enduring concern to planners. While it may not be obvious in each section of the outline policy and program implications will be explicitly drawn wherever possible.

Finally, work on this effort has not progressed as was planned in June of 1978, primarily due to revisions of project emphasis mandated by MOA during Phase III. Therefore to complete an adequate analysis - one which will underpin planning and policy analysis in Lesotho for some years - will require intensive efforts extending beyond August 1980. Following the outline is a schedule of activities indicating what will be completed before and after August 30, 1980 and how these efforts fit together to support the final products identified above.

Probable Outline of an Analysis of the Agricultural Sector in Lesotho with Implications for Planning and Policy

I. LESOTHO'S DEVELOPMENT ENVIRONMENT - THE MACRO SETTING

A. On Being Surrounded by South Africa

1. Price determination by RSA
2. Monopolization of marketing channels by RSA
3. Constraints and benefits arising from Custom's Union and Rand Monetary Agreement
4. Drain on male labor supply

B. The Structure of Lesotho's Economy

1. GDP, GNI and economic growth since Independence
2. Components of national product
3. Trade patterns and balance of payments
4. Employment - its regional and sectoral distribution, wages, trends
5. Population, food balances, consumption levels and nutritional deficiencies

C. Agricultural Resources for Development

1. Soils
2. Water
3. Climate
4. Manpower

II. AGRICULTURE DURING THE 1970'S - AN OVERVIEW

A. Introduction and Description of the Data Base

B. Cropping Trends (acreage, yield, regional differences)

C. Livestock Trends (livestock numbers, production)

D. Marketing (quantities of produce, inputs)

E. A Brief Review of Agricultural Development Projects and Programs

F. Effects of the Mine Wage Increase

G. Overall Sectoral Progress During the 1970's

III. THE CROPPING SUBSECTOR

A. Determinants of Acreage

1. Climate
2. Tillage power
3. Incentive structure

B. Determinants of Yield

1. Climate, soils
2. Input utilization, timing of operation
3. Incentive structures

C. A Critical Examination of Dryland Crop Agronomy in Lesotho

D. Variability in Cropping and Its Economic Meaning

E. Economic Analysis of Dryland Farming

1. Alternative technologies compared
2. Alternative cropping patterns
3. Emphasis on resource requirements, productive potential and contributions to national agricultural objectives

F. An Evaluation of Alternative Mechanization Policies (examines wide spectrum to identify most appropriate technology for Lesotho's conditions).

G. Implications of the 1979 Land Act

IV. LIVESTOCK

A. Determinants of Present Productivity Levels

B. A Critical Examination of Current Livestock Husbandry Systems

C. Economic Analysis of Alternative Husbandry Systems

D. Regional Implications

V. MARKETING

A. Description of Marketing Policies and Programs

1. During the 1970's
2. The situation as of 1980

B. Technical Analysis of Marketing Activities

1. Input supplies
2. Product markets

C. Analysis of Current Marketing Policy Issues

1. Distribution of beneficiaries
2. Government vs. the private sector
3. Alternative uses of pricing policy
4. Marketing margins

VI. EMPLOYMENT AND THE AGRICULTURAL SECTOR

A. Quantification of the Employment Challenge Facing Lesotho's Agriculture

B. Labor Relationships in Agriculture

1. Labor use by crop and activity
2. Seasonal peaks and surpluses
3. Off-farm employment

C. Fundamental Principles for Rural Employment

D. An Agricultural Employment Strategy

VII. REGIONAL RESOURCE DIFFERENTIALS FOR DECENTRALIZED PLANNING

A. Synopsis of MOA Policy and Intent for Regional Development

B. Regional Resource Differentials

C. The Case for Decentralization

D. Village Management of Resources

1. Existing patterns
2. Evaluation of alternative forms
3. Economic factors affecting village resource management

VIII. THE ECONOMICS OF THE FARM HOUSEHOLD - IMPLICATIONS FOR POLICY

A. Resource Position of Household and Differentials Therein

1. Land
2. Livestock
3. Labor, Management

B. Sources of Income and Relative Incentives

C. The Household Life Cycle as an Explanatory Tool

D. Identifying Target Groups for Agricultural Development

IX. GOVERNMENT ROLES IN AGRICULTURAL DEVELOPMENT

A. Description of Organization of MOA and Institutional Constraints

B. Major Agricultural Programs

C. The Experience with Projects

D. Other Agencies in Government with Roles in Agricultural Development

X. LOOKING TOWARD THE FUTURE: LONG-RANGE PRIORITIES AND STRATEGIES

A. Summary of Development Constraints (drawn from previous chapters)

B. The Long-Term Environment for Planning

C. Objectives for Long-Range Planning

D. Subsectoral Strategies

1. Cropping
2. Livestock
3. Agricultural business

E. Program Options and Actions Needed for Success

F. Implied Developments in the National Economy

Work Plan for Completing
Research Outlined Above

I. LESOTHO'S DEVELOPMENT ENVIRONMENT - THE MACRO SETTING

A. On Being Surrounded by South Africa

- Basic work done, partially presented in ASR
- Some further data collection (5-7/80): JE, KL, RL
- Preliminary draft for discussion with CPDO (7/80): JE
- Final writing (10-11/80): JE, KL-input

B. The Structure of Lesotho's Economy

- Basic data collected. Refinements expected from CPDO (IBRD team) (7/80)
- Additional data to be collected on regional aspects of employment: JE, and food balances and nutrition: GW (3-7/80)
- First draft (6-7/80): JE, GW
- Refined draft (10-11/80): JE, GW

C. Agricultural Resources for Development

- Basic work done and partially presented in ASR
- Analysis for regional differentials (2-7/80): GW
- Chapter draft (11/80): GW, JE

II. AGRICULTURE DURING THE 1970'S - AN OVERVIEW

- Production data collection nearing completion, 1978/79 data not yet available and will need correction (3/80): JE
- Marketing data collection (2/80): RL
- Effects of mine wages to be drafted as discussion paper (2/80): JE
- Sectoral progress during 1970 - adapted from Third Five Year Plan (4-5/80): JE
- Draft for review by (7/80): JE

III. THE CROPPING SUBSECTOR

A&B to be based primarily on regression analysis of 1970 crop statistics.

- Data refinement (2-3/80): JE, KL
- Regressions with rainfall)3-4/80): JE
- Soil moisture estimation model (9-11/80): GW, JE
- Integration of soil moisture, rainfall and temperature (12/80-2/81) GW, JE

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C. A Critical Examination of Dryland Crop Agronomy in Lesotho

- Draft section for review by Farming Systems and Research Divisions (5/80): JE

D. Variability in Cropping and Its Economic Meaning

- Preliminary assessment of crop losses due to climatic factors - complete: GW
- Data collection on price variability (2/80): RL
- Integration of risk perception, risk avoidance strategies, empirical data on risks (9-12/80): GW, JE

E. Economic Analysis of Dryland Farming

- First draft based on linear programming analysis (3/80): KL
- Definition of additional questions to be asked of data and model (2-4/80): JE, KL
- Collect additional data if needed (4-6/80): JE
- Refined first draft into circulation (5-7/80): KL, JE
- Application of model to additional policy issues (9/80-2/81): JE, KL

F. An Evaluation of Alternative Mechanization Policies

- Same as E above

G. Implications of the 1979 Land Act

- Land tenure bibliography complete (3/80): JE
- Analysis of implications (10/80 and 1/81): JE, KCN

IV. LIVESTOCK

A. Determinants of Present Productivity Levels

- Data collection in conjunction with FAO Review Team (3/80): JE

B thru D: Analysis to include the following separate efforts:

- Analysis of grazing management component of livestock systems (3-4/80): KL
- Collection of complete set of project documents and livestock analyses (3-7/80): JE
- Analysis of livestock sectoral dynamics reviewed in preliminary fashion by Livestock Division (8/80): JE
- Drafting of chapter (10-11/80): JE

V. MARKETING

A. Description of Marketing Policies and Programs

- Draft to be complete (3/80): RL

B. Technical Analysis of Marketing Activities

- Data collection on flows and volumes (2/80): RL and (3-6/80): JE

C. Analysis of Current Marketing Policy Issues

- Development of issues to be analyzed with MOA (7-8/80): JE
- Analysis of current issues with policy recommendations (9-10/80): RL and 1-2/81): JE

VI. EMPLOYMENT AND THE AGRICULTURAL SECTOR

A. Quantification of the Employment Challenge Facing Lesotho's Agriculture

- Done

B. Labor Relationships in Agriculture

- Partly drawn from economics of dryland farming, drafty by (3/80): KL
- Partly from analysis of labor components of BASP baseline survey (2/80-3-81): RT, RW
- Assembly and analysis (11/80-3/81): RW, JE, RT

C. Fundamental Principles for Rural Employment

- Drafted by (12/80): JE, RW

D. An Agricultural Employment Strategy

- First draft in circulation in Lesotho by (7/80): JE
- Refined draft using BASP data and Tribble thesis by (3/81): JE, RW, RT

VII. REGIONAL RESOURCE DIFFERENTIALS

A. Synopsis of MOA Policy and Intent for Regional Development

- Draft to P.S. for comments by (6/80): GW

B. Regional Resource Differentials

- Climatic data computerized by (3/80): GW
- Analyses of agroclimatic regional differentials (3-7/80): GW
- Assembly and tabulation of other data by regions (3-7/80): GW, JE
- Analysis of implications for regional planning (9-12/80): GW
- Regional planning seminar/workshop (4 or 5/80): GW

C. The Case for Decentralization

- Draft for review by P.S. (5/80): GW, JE

D. Village Management of Resources

- Preliminary conceptualization (3-5/80): GW, JE
- Data collection on existing systems (4-6/80): GW
- Analysis and writing (1-3/81): GW

VIII. ECONOMICS OF THE FARM HOUSEHOLD

A. Resource Position of Household and Differentials Therein

- Partially drafted, to be completed by (4/80): JE, KL, RT
-

B. Sources of Income and Relative Incentives

- Data collected, analysis to be started (4-6/80): JE

C. The Household Life Cycle as an Explanatory Tool

- Conceptualization (2-4/80): JE, GW, KL, RT
- Further data collection (5-6/80): JE, GW
- All household studies in MOF computer to be duplicated in CSU (6/80 and 9/80): GW, JE
- Full development of life cycle hypothesis (9-12/80): JE, KL
- Application to policy issues (1-3/81): JE

D. Identifying Target Groups for Agricultural Development

- Drafting (12/80-1/81): JE

IX. GOVERNMENT ROLES IN AGRICULTURAL DEVELOPMENT

A. Description of Organization of MOA and Institutional Constraints

- Organization chart to be cleared with MOA (6/80): JE

B and C. Preliminary hypotheses and structure to be developed from evaluation of projects and programs in Second Plan (4/80): JE
- Discussions with technical divisions (5-7/80): JE
- Review of draft w/divisions (7/80): JE
- Final drafting (2/81): JE

D. Other Agencies in Government with Roles in Agricultural Development

- Interviews to be conducted (5/80), draft to be circulated (6/80) and refined (7/80): JE

X. LOOKING TOWARD THE FUTURE

This chapter is a summary, integration and application of all findings from the above work. As such it will be the principal activity during (1-3/81). We will develop a thumbnail sketch of the future environment for development in Lesotho including identification of major development priorities by April 10, 1980 for the arrival of the Multidonor Agricultural Sector Evaluation Mission. A more detailed elaboration will be ready by July for the Donor's Conference on Agriculture.

XI. MISCELLANEOUS

A. Return to Maseru to collect GOL comments and critique on draft of documents (6/81): JE

B. Final revisions and editing (7-8/81): JE, GW

C. Publication, distribution (9/81): CSU

XII. MONOGRAPH ON INSTITUTION BUILDING - THE LESSONS FROM LESOTHO

- Outline prepared, concepts discussed (2/80): JE, RL
- Assembly of notes from Lesotho experience (3/80): RL and (7-8/80): JE
- Drafting (5-6/80): RL and 9-10): JE, RL

MEMORANDUM

28 March 1980

TO : Preparatory Meeting for Decentralization Seminar

FROM : John W. Harbeson, USAID

SUBJECT: Recommendations on Content and Format for Seminar

1. At the March 24 preparatory meeting I was asked to contact ministry representatives to learn their views concerning the content and format for the planned seminar on decentralization. In this report, I present the results of those interviews and a preliminary set of recommendations on the organization of the seminar. Appendix A lists the individuals with whom Dr. Wilken and I have met before and since the March 24 meeting.

2. Almost everyone interviewed identified personnel as the highest priority item to be examined in the seminar. Among the questions and issues mentioned were the following:*

   a. What are to be the duties and responsibilities of district level personnel under a decentralization policy? (1)

   b. How can adequate numbers of qualified individuals be recruited, trained and oriented to serve in district level posts with increased responsibilities? This question applied particularly to the post of district administrator. (2)

   c. What incentives must be established to make district level posts attractive to individuals with the required qualifications. Such incentives might include: (2)

      i. material incentives: housing, schools, health centers, recreation facilities.

      ii. career incentives: making service in district posts requirement for promotion.

   d. How can funds and places be secured for individuals to be trained for district level posts having increased responsibilities under decentralization? (2)

   e. How can individuals be trained to practice the required objectivity in dealing with problems and cases and gain the skills to coordinate citizens wishes, the requirements of other district personnel, and regulations established by the central government. This applies in particular to district administrators. (2)

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*Number in parenthesis indicates the number of a workshop that is to address this question. P indicates plenary session (see outline of seminar).

f. Should district personnel be recruited to serve in their home districts, or be prohibited from serving in their home districts, or rotated at intervals among districts including their home district. (1)

g. Would one of the other of these policies promote desirable and friendly competition among districts to excel in development efforts. (1)

h. How can personnel serving at the central level be oriented to work within an increasingly decentralized administrative structure? (1)

3. Several other important issues and probelms were identified by interviewees. These added to or expanded upon those identified at the March 24 meeting. They are not listed in any particular order of priority.

a. Questions of implementation

i. Should decentralization occur first to the regional level and to the district level only later because of personnel shortages? (6)

ii. Should decentralization occur by strengthening the responsibilities of districts only two or three at a time because of the importance of the changes involved and because of personnel shortages? (6)

iii. What provisions should be made for monitoring the decentralization process at the central government level? The present coordinating committee? A particular ministry? Some other group? (6)

iv. What steps can be taken to insure that decentralization occurs in reality, not just on paper? (5)

v. What increases in personnel at the district level will the required? (4)

vi. Until adequate numbers of qualified personnel are present at the district level, could the D.A.s serve as financial comptrollers for all ministries at the district level. (6)

b. Finance. The costs and ways of paying for necessary improvements in district infrastructure, training programs, more personnel at higher levels. (3)

c. Problems of design

i. How to make it possible for district personnel to implement policies without having to refer every detail to one or more central ministries? (5)

ii. How to achieve necessary coordination among the elected members of district development committees, field representatives of central ministries, and the chieftaincy? (4)

iii. Are there to be town councils? If so, how should they relate to DDCs and other local officials? (4)

iv. What is to be the role of the chiefs? (4)

v. What is to be the role of the village development committees? (8)

vi. How can the interests of urban and rural communities within districts be reconciled and balanced? (4)

vii. Are there some ministries that will be less able to decentralize than others? If so, what will be the consequences for the decentralization policy? (5)

viii. Can decentralization lead to coordination of activities <u>within</u> ministries at the district level as well as <u>between</u> ministries? (4)

ix. How can decentralization promote effective development planning at the regional and/or district level? What happens if administrative districts don't coincide with "natural" districts for development purposes? (7)

x. To what extent and in what ways is Thaba Tseka an appropriate model for decentralization in other districts? In what ways may it not be an appropriate model? (P)

xi. What changes, if any, are necessary in the ways in which revenue is collected and allocated in order to make decentralization work? How much and what kind of discretion should districts have allocating funds? (3)

4. The most basic questions of all, perhaps, concern the following:

a. What responsibilities should be allocated to district personnel rather than left in the hands of central government? (P)

b. How should it be decided which responsibilities are delegated to districts and which are not? (P)

c. What should be the organizational structure established at district level and linking central and local administrations? (P)

d. How can people be induced to participate actively and effectively in decentralized local administration? (P)

e. How can a given field respresentative of a ministry simultaneously be responsible both to the district administrator and to his central ministry without conflict emerging? (P)

Outline of Seminar
(Preliminary)

I. FORMAT

A. Day 1

8:45 a.m.	Seminar participants arrive, check in.
9:30 a.m.	Introduction, explanation of purposes and organization of seminar.
10:00 a.m.	Key Note Address: representative of office of Prime Minister.
10:45 a.m.	Plenary Session: address on objectives, concepts, costs and benefits of decentralization. Discussion period follows.
1:00 p.m.	Lunch
2:30 p.m.	Plenary Session: address on major issues and problems of decentralization with emphasis on particular circumstances of Lesotho. Discussion period follows.
3:45 p.m.	Coffee Break
4:00 p.m.	Plenary session continues
5:00 p.m.	Relaxation
6:00 p.m.	Dinner
7:30 p.m.	Plenary Session: Lesotho's experience with district level administration--Thaba Tseka. Discussion period follows.

B. Day 2

8:30 a.m.	Plenary Session: organization of workshops
9:00 a.m.	Workshop deliberations begin.

Workshop 1 - Personnel administration
Workshop 2 - Personnel training and recruitment
Workshop 3 - Financing decentralization
Workshop 4 - Local level coordination
Workshop 5 - Managing decentralization at central level
Workshop 6 - Implementation and monitoring
Workshop 7 - Decentralized planning for integrated rural development
Workshop 8 - Stimulating local participation in decentralized administration.

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12:30 p.m.	Lunch
1:45 p.m.	Workshop deliberations continue
5:30 p.m.	Relaxation and dinner
7:30 p.m.	Plenary Session: roundtable discussion. Representatives of ministries explain existing efforts to promote decentralization. Discussion period follows.
9:30 p.m.	Adjournment

C. Day 3

8:30 a.m.	Announcements, plans for the day
9:00 a.m.	Workshop deliberations continue
12:30 p.m.	Lunch
1:45 p.m.	Workshop deliberations continue
3:45 p.m.	Coffee break
4:00 p.m.	Workshop deliberations conclude
5:00 p.m.	Relaxation
6:00 p.m.	Dinner
7:30 p.m.	Plenary Session: Roundtable discussion on experiences, achievements and problems with decentralization in other countries. (During this session workshop rapporteurs prepare and have typed the recommendations of their particular workshops)
9:30 p.m.	Adjournment

D. Day 4

8:30 a.m.	Announcements, plans for the day
9:30 a.m.	Plenary Session: Presentation of workshop recommendations. (During oral presentations, typing, duplication and distribution of recommendations completed).
12:30 p.m.	Lunch
1:45 p.m.	Plenary Session: deliberation on workshop recommendations (personnel administration, training, recruitment workshop reports).
3:45 p.m.	Coffee break

4:00 p.m.	Plenary Session: deliberations on workshop recommendations continues (personnel administration, training, recruitment workshop reports).
5:30 p.m.	Relaxation and dinner
7:30 p.m.	Plenary Session: deliberations on workshop recommendations continues (regional planning, participation workshop reports).
9:30 p.m.	Adjournment

E. Day 5

8:30 a.m.	Announcements and organizational matters
9:00 a.m.	Plenary Session: deliberations on workshop recommendations continue (local coordination, finance workshop reports).
12:00 noon	Lunch
1:30 p.m.	Plenary Session: deliberations on workshop recommendations (implementation, managing decentralization at central level workshop reports).
4:00 p.m.	Coffee break
4:15 p.m.	Concluding Session: remarks by representative of office of Prime Minister.
5:30 p.m.	Adjournment

F. Day 6

Rapporteurs prepare and have typed the recommendations of the seminar.

II. WORKSHOP FORMAT

Each workshop is to have a chairperson, one or more resource persons to assist them, and a rapporteur. Chairpersons may be elected by the workshop groups or representatives of ministries may be designed as chairpersons in workshops where their ministries are most involved. Rapporteurs and resources persons designated in advance.

1. Personnel administration

Chair:
Resource People:

2. Personnel training and recruitment

   Chair:
   Resource People:

3. Finance

   Chair:
   Resource People

4. Local coordination

   Chair:
   Resource People:

5. Managing decentralization at central level

   Chair:
   Resource People:

6. Implementation and monitoring

   Chair:
   Resource People:

7. Planning for integrated rural development

   Chair:
   Resource People:

8. Local participation

   Chair:
   Resource People:

III. PARTICIPANTS

A. Representatives of Ministries in proportion to interest and involvement in decentralization process (30-40)

B. Resource People 10-15

IV. TIME AND PLACE: National University, 2nd week in July (?)

V. FINANCE

A. Room and board for Lesotho personnel: NMDS

B. Travel, room and board for expatriate resource persons: Donor agencies

VI. ADVANCE PLANNING

Steering committee designated at March 24 meeting.

APPENDIX A

List of Persons Contacted

Mr. C. Ntsane, MOA
Mrs. A.M. Morojele, MOA
Mr. David Mosebo, MOA
Mr. L.A. Matsela, MOE
Mr. M.E. Sello, MOH
Miss Manapo Moshoeshoe, Cabinet Personnel
Mr. L.S. Bosiu, Cabinet Personnel
Mr. T. Tjabane, MWEM
Mr. H.L. Molapo, NMDS
Dr. Malcolm Wallis, NUL
Mr. S.M. Phamotse, MOI
Mrs. T.M. Mokholo, MOJ
Mr. Mositella, MOF
Maj. Gen. L.K. Lekhanya, PMU
Maj. J.S. Letsie, PMU
Mr. V.P. Machai, MRD
Mr. J. Innes, MOF
Mr. A. Knowles, CIDA
Mr. Frank Correl, USAID
Mr. James Dunn, USAID
Dr. G.C. Wilken, LASA
Dr. J. Eckert, LASA
Mr. S. Baholo, MOE
Mr. J.J. Letsie, LIPA

LASA QUARTERLY PROGRESS REPORT
April-May-June 1980

Efforts continued on several fronts during the quarter under review with emphasis being laid on the two principal dimensions specified by the MOA during the Tripartite Review in December/January, namely: completion of the analysis program and contributions to a district or regional planning capacity.

I. ANALYSIS EFFORTS

A. Cropping and Environment

The long process of converting environmental data to computer format is now complete. Daily maximum and minimum temperatures and rainfall have been entered for all stations for which significant data are available. Completed and planned processing by LASA Project includes calculation of frost and other temperature threshhold probabilities for major stations, elaboration of the Drought Watch system, and a soil moisture and crop monitoring program.

The data have been transferred to tapes compatible with CSU computer facilities whereas the original disk will remain in Maseru. Thus the data will be available for use by Hydrometeorological Services Branch of the Ministry of Water, Energy, and Mines, Farming Systems Research Project, Phutiatsana Irrigation Project, and other agencies and projects. Joint or continuing projects are possible since the same data will be available in Fort Collins and Maseru.

In a parallel effort, work progressed toward completion of the analysis of relationships between officially reported crop yields and rainfall. A satisfactory set of quantitative relationships was finally developed which 1) proves the validity of the Bureau of Statistics yield estimates thereby justifying their use in future research and 2) contributes significant understandings of crops sector dynamics including defensible explanations of major trends during the 1970's. Quantitative relationships between inputs of labor and rainfall with yields were obtained as well as an assessment of overall district differences in productivity.

This breakthrough has been used to date; 1) to respond to the Farah Mission's demand for advance prediction of 1980 crop production levels and consequent food deficits, 2) to support quantitative work on crop risks, 3) to assist in the evaluation of Bureau of Statistics methods and 4) as one of several components in the growing effort for district planning.

B. Employment and Manpower

Previous work by Ron Wykstra done under contract to USAID was redrafted with USAID approval for wider distribution to planners, policy makers and donor agencies. The work contrasts capital intensive vs labor intensive technologies in conservation works and finds the latter much to Lesotho's benefit under present price and productivity relationships. The redrafting included the addition testing major comparisons under alternative sets of assumptions. In no case tested were capital intensive methods warranted and under many situations the labor intensive method was the only justifiable choice.

This work has been widely used in Lesotho and has proved the convincing piece of evidence in many discussions. As a direct result of this research (together with other data) the Conservation Division is adding a labor intensive unit to their program, USAID has recently launched an investigation of labor intensive feeder road programs, the ILO has proposed to GOL a "Special Labour-Intensive Rural Works Programme" which would contain a component for training of supervisors and the Labour Construction Unit (MOW) has been able to justify their proposals and their own continuation in Lesotho.

A second major analytical effort completed in May quantified the impacts felt by the economy of Lesotho from the South African mine wage increase of the mid-1970s. This paper contributes to rationalizing many economic trends during the decade and suggests the magnitude of the adjustments that may necessarily stem from a probable reduction of migration. The paper offers explicit evidence on the extent of Lesotho's economic dependence on migrant remittances as a means of providing the justification of maximum priority to employment in development planning, regardless of the future of migration.

Finally, contacts were reopened with sources in South Africa to reassess earlier conclusions on the future of Basotho migration in light of the minerals price increases in the last year. While still unable to project an increase in migration, it would appear that the decline of 1978 and 1979 may cease for 2-3 years followed by a somewhat slower decline than previously projected for the next decade.

Written Outputs:

1) R.A. Wykstra and J. Eckert, "Manpower vs Machinery: A Case Study of Conservation Works in Lesotho," LASA Research Report No. 6, April 1980.

2) J. Eckert and R.A. Wykstra, "South African Mine Wages in the Seventies and Their Effects on Lesotho's Economy," LASA Research Report No. 7, May 1980.

II. DECENTRALIZATION PLANNING

A. National Workshop

LASA played a key role in organizing a National Workshop on Decentralization. Originally proposed by Wilken and M. Morojele (PU-MOA), the workshop was approved by the Thaba Tseka Coordinating Committee and supported by USAID from U.S. university projects on Managing Decentralization (University of California) and Local Participation (Cornell University). Local funding of workshop expenses came from the National Manpower Development Secretariate. The Workshop is scheduled to convene 8-12 July 1980 at the National University of Lesotho, Roma. The stated objectives are to clarify issues, and to make recommendations for policy and implementation of a decentralized planning and management of development.

Written Outputs:

Various documents associated with National Workshop on Decentralization, including provisional schedules, minutes, and "Guidelines for Chairpersons: Decentralization Workshop."

B. Data Collection and Generation

M.T. Phoofolo joined LASA during the second quarter as a statistical research aide. One of his major duties was to assemble data from all sources which gave district breakdowns of resource availability, farm production and organization, the distribution of incomes, employment, government services, etc. His work is intended to form the core of a regional data book promised to the MOA prior to departure from Lesotho

With the Bureau of Statistics and the Ministry of Education, LASA completed an interim estimate of district populations based upon the last (1976) census. The exercise was necessitated by the creation of a tenth administrative district (Thaba Tseka) in March, 1980 out of territories and populations from six established districts, thus altering previous population data. In addition to establishing the new distributions, the estimation will allow comparisons (e.g., population growth) when the next census is taken. Furthermore, identifying which constituencies and Enumeration Areas fall within the new district establishes the basis for reallocation of other census-based data.

Written Outputs:

"Interim Determination of 1976 District Population in Lesotho." Maseru: LASA/MOA, June 1980, 10 pp.

III. LIBRARY

Working closely with Farming Systems Research Project and the Planning Unit, Ministry of Agriculture, a plan and schedule for the orderly transfer of the LASA/MOA Library to the new facility at the Agricultural Research Station has been developed. Initially the LASA/MOA collection consisting mostly of agricultural analysis and planning materials, will be kept separate from the more technical FSRP/ARS literature. The combined collection will be under the supervision of MOA librarians assisted by an expatriate consultant hired by FSRP. The transfer is part of an overall plan to reorganize the several MOA collections to bring them under one administration, and to pool supervisory personnel for greater efficiency.

Students from the University of Cape Town visited Maseru for a period of two weeks for research on technical papers in support of their honors degrees. Their primary contact point for reference material was the LASA Library, the presence of which made their studies possible. Subsequently, an offer of assistance was made by UCT to support and maintain the library after the close of the LASA project.

IV. COLLABORATION WITH THE ON-GOING PROGRAM OF GOL

A. Donor Missions

1. Considerable time was spent in conference with the Multi-Donor Mission which was in Lesotho for the month of April to prepare the groundwork for the forthcoming Donor Conference on Agriculture, now scheduled for October 20-25, 1980. As before the MDM team was provided complete access to all LASA findings available at the time. Eckert was part of the PU team for most formal negotiations with the MDM group.

2. FAO brought in a statistical methods consultant in response to criticism of the Bureau of Statistics crop figures. Because of work described in section I-A above, Eckert was involved intensively throughout the two week consultancy. In the end the combination of LASA and FAO analysis were able to show that crop figures do provide an accurate reflection of the considerable variation characterizing Lesotho's agriculture.

B. Thaba Tseka Coordinating Committee

LASA continued its participation in the Thaba Tseka Coordinating Committee activities, and its contribution to the cooperative data acquisition program for Thaba Tseka district.

The rapidly growing urban area of Thaba Tseka, including the urban villages surrounding the town, necessitated the formation of a special Urban Development Committee and the appointment of a consultant to plan rational growth. This has resulted in a master plan on which land allocations and best use determinations can be made. Wilken was appointed member of the UDC at its inception.

C. Employment Planning

The work by LASA and others on employment priorities in Lesotho has given rise to concern at the Cabinet level about the absence of an employment oriented development strategy. The Deputy Senior Permanent Secretary has instructed each Ministry to provide such a strategy in their areas of concern. Eckert, Mochebelele and Mosebo formed a task force which led MOA efforts through a series of meetings and drafts during the quarter.

V. INTER-GOVERNMENTAL RELATIONS

Last October it was arranged for Miss Moshoeshoe and Mrs. Morojele to visit the Office of the Economic Advisor to the Prime Minister in Pretoria to study the planning process in that government. By way of reciprocation LASA arranged, on April 14 and 15, a visit to Lesotho by the Deputy Director of Planning, Government of South Africa. Discussions were held with MOA leadership concerning planning and programs in that Ministry. Additional discussions were held at Lesotho's Cabinet offices to exchange technical views regarding planning at the national level.

VI. PARTICIPATION IN ACTIVITIES OF USAID

Jerry Eckert continued to interact with USAID personnel as efforts progressed toward definition of USAID's post-LASA support to agricultural planning. The Mission's PP design team arrived in two waves necessitating some duplication of briefings.

At the request of the USAID Gaborone mission Wilken spent approximately two weeks in Botswana as consultant on a three-person team evaluating the potential for a resource management and conservation program.

VII. WASHINGTON, D.C. MEETINGS

Kenneth Nobe was a selected participant in special Africa CDSS reviews during June in Washington, D.C. These meetings were directed at development of an interchange between officials in the AID Africa Bureau and the university community concerning development in more than a half dozen African nations, including

Lesotho. Dr. Nobe also met with Richard Suttor and Rolo Eric, DSB/AID/Washington on June 11 to discuss future plans for LASA. Dr. Suttor reported that he has received verbal approval to extend the project for one year on-campus to complete the ASA final report. Also, a design team for a follow-on project for LASA has recently departed for Lesotho.

VIII. TRAINING

During this quarter four students completed Master's degrees. Mamaria Motsamai graduated with her M.S. and returned to Lesotho, as did Mampiti Nchapi. The M.S. degree was also awarded to Maurice Phakoana and Manapo Moshoeshoe following faculty acceptance of their technical papers. Nomonde Mapetla at Ball State University is making excellent progress and should complete degree requirements in the near future. Marabe Phoofolo, at Michigan State University, is expected to receive his degree in Agricultural Economics the end of the summer term and will then return to Lesotho. Richard Bowen is making excellent progress in course work; scheduled to shift to GRA on an AID-funded Water Policy and Pricing project at the start of the Fall semester 1980.

IX. PERSONNEL

Ron Wykstra will be Acting Project Leader July 1 through August 31 while Ken Nobe is on a Ford Foundation sponsored consulting assignment in India.

Forrest Walters has been cleared for a TDY assignment in Lesotho during August to assist in marketing policy aspects of the agricultural sector analysis.

X. ADDITIONAL PUBLICATIONS

Eckert, Jerry and Joseph N. Mohapi, "The Future Environment for Agricultural Planning 1980 - 2000 AD. LASA Discussion Paper No. 9. Colorado State University, Fort Collins, CO, June 1980.

Forrest Walters
LASA Consultant
28 August 1980

APPENDIX B

Organization of Agricultural Marketing Agencies in the Lesotho Government

The youthful Government of Lesotho (established since independence October, 1966) appears to have accomplished a great deal in agricultural marketing by establishing agencies to facilitate the marketing of nearly all of the major agricultural products of Lesotho.[1] Further, from this accumulation of agencies there are several that are somewhat successful, Coop Lesotho, the Livestock Products Marketing Service and to lesser extent the Produce Marketing Corporation. As the newly established marketing agencies have embarked on their separate missions a number of problems have emerged -- not particularly uncommon when such a massive effort is attempted with no prior experience and uncertain financing.[2] The difficulties have caused a period of indecision and reconsideration as the government and especially the Ministry of Agriculture attempts to find a concensus on the agricultural marketing issue. Two rather broad issues are under consideration: (1) What pricing levels and marketing practices will contribute most to agriculture production for the amount of government expenditure, or more simply, "What pricing and marketing policies produce the largest results, are affordable and politically feasible" and (2) How should governmental marketing of agricultural products be organized, or more simply, "what will work"?

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[1] Agencies and products handled are shown in Appendix II.

[2] A brief description and a brief summarization of the ensuing problems in agricultural marketing are shown in Appendix I.

In coming to a concensus on the issue of pricing levels and marketing practices, comparative government budgets could be used to determine what services can be offered at acceptable cost levels to the government. The categories of marketing policies and to some extent the pricing levels have already been sorted out in government conferences and discussions. The categories of services, policies and price levels appear to follow the example shown below.

Produce Marketing

Price Payment by Government Agency	Items of Cost to Government	Ranking of Government Costs
I. Export parity, Import parity or Equilibrium Price minus full cost for handling or all line agency costs	Advisory and analytical staff costs	LOW
II. Export parity, Import parity or Equilibrium Price minus full cost and handling plus transport and gathering subsidy for outlying areas	Advisory and analytical cost and transport and gathering subsidy for outlying areas	HIGHER
III. Price supports above export parity, import parity or equilibrium price	Advisory and analytical staff costs, all line agency costs, all price support costs	HIGHEST

Input Marketing

Sale Price by Marketing Agency	Items of Cost to Government	Ranking of Government Costs
I. Acquisition cost plus handling (all line agency costs)	Advisory and analytical staff	LOW
II. Acquisition costs plus handling less transport subsidy to remote areas	Advisory and analytical staff plus subsidy to remote areas	HIGHER
III. Acquisition cost plus handling less price subsidy and transport subsidy to remote areas	Advisory and analytical staff plus subsidy to remote areas plus price subsidy	HIGHEST

In the low (I) and higher (II) government cost categories, in the budget configuration above, the government activities would probably not seriously impinge on private enterprise but would check private enterprise from taking undue advantage of the farm producer or consumer. The parastatal or government agency would be operating at break-even levels and since agency costs are usually higher than private sector costs the various agencies would probably service residual markets and not the commercial markets. Further, the parastatal or government agency would always pose the threat of growing into the commercial sector if the private sector did not provide adequate services or if it took undue price advantage.

In the higher (II) government cost categories some infringement is made on the private sector because subsidies to transport to or from the outlying areas would probably displace traders in the more remote areas. However, this may be an unavoidable cost of stimulating production and promoting a more market-oriented economy in the remote areas. It appears that subsidies are necessary in the remote areas because most of the

ventures by the Produce Marketing Corporation and Coop Lesotho into the outlying areas have been unprofitable and have burdened the profitable and break-even ventures in the more populated and productive areas. The activities of the Livestock Products Marketing Service are to some extent the exception -- probably because wool and mohair prices are relatively high compared to previous years.

The highest (III) government cost programs include price subsidization to encourage production which are beyond current costs and probably not possible or acceptable to the Government of Lesotho. In addition, subsidized pricing would displace the private sector which is in conflict with the goal of "First, rely on the private sector" as outlined in, Recommendations to Government for an Agricultural Employment Strategy; developed by the Ministry of Agriculture, Government of Lesotho, August 1980.

Until costs are calculated for the different levels of programs, outlined above, conclusions and recommendations are circumspect and speculative in nature. However, some levels of forward budgeting and cost estimation, I think, would offer helpful guides in the decisions related to agriculture price and marketing policy and operation.

The question on reorganization relates to two different levels; (1) simplifying the Ministry or government management of agencies, i.e. apexing to assembly agency groups to achieve common national policy goals and (2) simplifying the internal management of agencies to carryout marketing operations. The current plans to apex marketing agencies and the proposal by the "Multi-Donor Mission on Lesotho's Agricultural Potential" to conglomerate inputs, crop and livestock product marketing, in my opinion,

are clumsy and probably unworkable. The Multi-Donor Mission indicates that "by incorporating wool and mohair marketing with inputs and crop marketing various savings in personnel and overhead costs could be achieved, staff could be more fully utilized throughout the year and turnover and income to the new apex marketing organization would be greatly increased."

The apex proposal puts the operation of produce and input marketing in one ministry and price setting and to some extent national goal determination in another. To make the apexing proposal workable the agency that does the national goal determination and price setting needs clear lines of authority to direct the marketing operations to achieve those goals and price levels. In short apexing, I think, would be more effective if the support staff, price setting, and national goal determination responsibility were in a singular ministry. Otherwise there will be a tendency to make the other ministry the "scapegoat" for the problems encountered in either operations or policy achievement. Since government management of agencies has been cited as a problem, the singular ministry concept, could be used to simplify management and clearly make one ministry responsible for achieving policy goals--by managing its operations to those ends. As a general principle management problems are usually solved by simplification and not by further complication and dilution of responsibility.

The internal management problems of individual agencies appear to be related to extending services beyond management's capabilities to perform or cover costs of the services. An appropriate reorganization response would appear to be one of consolidation and specialization before attempting a further extension of services. In other words, each agency should

continue to do those functions that are operable and stop doing those that are not. Further, the operations should be simplified so that one individual is responsible for only a few functions, say selling fertilizer and seeds or acquisition of building materials and farm implements, or purchase of beans, maize and corn, etc. When PMC and Coop Lesotho are merged and operated as proposed by the Multi-Donor suggestion, a manager would be responsible for (1) buying crop produce and selling inputs -- almost a conflict of interest in the farmers' view, (2) acquisition of inputs and transport and sales of produce -- operations that require two different sets of skills, (3) purchasing both crops and livestock products (wool and mohair) -- products that are produced in different areas. Due to the conflicts suggested above, a streamlining and modernization of management would appear to involve further specalization and a separation of agency operations by individualized skills.

As noted earlier, government agencies are attempting to deal with, in some manner, nearly all the major agricultural commodities. In this involvement, agriculture business development might be separated as a specialized function for a singular agency. There are a number of possibilities, cloth manufacture, ice cream manufacture, bakeries, dairies, leather manufacture, etc. Unfortunately, agriculture business cannot develop on a time schedule but on the basis of opportunity with private or donor investment.

In summary, it would appear that agricultural marketing in Lesotho has made a great deal of progress and has encountered the usual "start up" problems. With agriculture policy determination more closely related to

costs and what is affordable, and with reorganization of agricultural marketing along simplified and more direct function lines a further facilitation of agricultural marketing might be achieved. Further, as agricultural marketing progresses, labor using and trade balance saving agricultural business may ensue.