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COUNTRY TRAINING STRATEGY

USAID LESOTHO

HUMAN RESOURCES DEVELOPMENT ASSISTANCE (HRDA) PROJECT  
(698-0463)

FY 88 - FY 92

MARCH 1988

DRAFTED BY:

DEBORAH M. ORSINI  
HRDA PRIVATE SECTOR TRAINING COORDINATOR

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## ACRONYMS

BANFES	Basic and Non-Formal Education Project (USAID)
BEDCO	Basotho Enterprise Development Corporation
BEO	Business Extension Officer
BTC	Business Training Center
CDSS	Country Development Strategy Statement
EEC	European Economic Community
EPRP	Economic Policy Reform Program
GOL	Government of Lesotho
HRDA	Human Resources Development Assistance Project
IBRD	International Bank for Reconstruction and Development
IDM	Institute of Development Management
IEMS	Institute for Extra-Mural Studies
IEMS/ILS	IEMS Institute of Labour Studies
IEMS/BTC	IEMS Business Training Center
ILO	International Labour Office
LAPIS	Lesotho Agricultural Production and Institutional Support Project (USAID)
LAW	Lesotho Alliance for Women
LCCI	Lesotho Chamber of Commerce and Industry
LDTTC	Lesotho Distance Teaching Center
LEA	Lesotho Exporters' Association
LIAS	Lesotho Institute of Accounting Studies
LNDC	Lesotho National Development Corporation
LOIC	Lesotho Opportunities Industrialization Center
LOP	Life of Project
LPI	Lerotholi Polytechnic Institute
NMDS	National Manpower Development Secretariat
ODA	Organization for Development Assistance
PTA	Preferential Trade Agreement
RSA	Republic of South Africa
SACU	South African Customs Union
SIDA	Swedish Institute for Development Assistance
SME	Small to Medium-scale Enterprise
TPU	Trade Promotion Unit
TTTC	Thaba Tseka Training Center
UEL	Union of Employers of Lesotho
UNDP	United Nations Development Program
USAID/L	U.S. Agency for International Development, Lesotho

## EXECUTIVE SUMMARY

The regional Human Resources Development Assistance (HRDA) Project is intended to provide non-project training in support of USAID missions' development strategies and in conformity with two specific objectives set by AID/W for the HRDA project: 50% of training will be in support of private sector development and 35% of all project trainees will be women.

This five year country training strategy for USAID Lesotho was developed in March 1988 based on an assessment of local training needs, primarily within the private sector.

The USAID Lesotho country training strategy provides for approximately 80% of project training for private sector development. Due to the high degree of participation of women in the local economy, the mission will target 50% women participants in HRDA training.

### Overview

As a small, landlocked country with limited natural resources and completely surrounded by the Republic of South Africa, Lesotho faces a number of unique development problems. Although the nation is basically rural (over 85% of all inhabitants live in rural areas), the rural sector is declining: agricultural yield per hectare has dropped over the last 10 years and the amount of land being cultivated has decreased.

The population of 1.6 million is growing at an annual rate of 2.6%, but the domestic economy is not creating more jobs. For the 20,000 new entrants in the job market every year, at most 6000 jobs are available. Mine employment in the Republic of South Africa, which accounts for more than 50% of Lesotho's GNP and provides some 115,000 jobs, has reached a plateau. If, for reasons of increased mechanization, miner demonstrations or political instability, the numbers of Basotho miners were decreased, domestic unemployment, already estimated at 34% of the active population, could reach crisis levels.

While the manufacturing sector has more than doubled its share of GDP since 1980, it still represents only 15%, despite Lesotho's relatively well educated and competitively priced manpower base, adequate infrastructure, preferential access to foreign markets and tax incentives. Manufacturing growth to date has resulted primarily from foreign investment (dominated by the RSA- 74%) in food processing, textiles, leather and footwear industries, most of which use little, if any, local raw materials. Basotho-owned private firms are primarily small trading and service companies.

A large trade deficit exists with RSA from which 95% of all imports are derived and to which 85% of all exports are destined. Imports are more than twice GDP, represent 15 times the value of all exports and include certain products which could be produced locally (e.g., fresh fruits, dairy products, hides, skins and certain processed foods).

In addition to miners' remittances, Lesotho's GNP is very dependent upon South African Customs Union (SACU) receipts (70% of total GOL revenues come from SACU receipts). Recent shifts in RSA policy, placing more emphasis on domestic indirect taxation, will reduce Lesotho's level of SACU receipts.

Growing unemployment, heavy dependence upon miners' remittances, decrease in SACU receipts and the uncertainty of future relations with RSA, make it essential that Lesotho achieve economic self-reliance.

### USAID Lesotho's Development Priorities

USAID Lesotho's CDSS addresses 6 key constraints to Lesotho's economic and social development:

- lack of planning and decision making skills within key GOL ministries;
- inefficient land use and agricultural practices;
- weak marketing and private sector infrastructure;
- high levels of unemployment and dependency upon migrant labor to RSA;
- inadequate educational system to provide relevant education and training; and
- rapidly expanding population.

The USAID Lesotho bilateral project portfolio concentrates on the agricultural and educational sectors. A regional health project provides assistance in primary health care and population. The HRDA project training activities will concentrate on two key areas which support the mission's development objectives but are not adequately addressed by current bilateral projects:

- increasing the GOL capacity to manage scarce resources; and
- increasing private sector employment capacity to reduce unemployment and dependency on migrant labor.

### Specific Training Objectives:

Training to increase the GOL management capacity will be designed to increase their ability to plan for economic growth and labor utilization.

Training efforts to increase private sector employment capacity will be geared to 3 subobjectives: development of investment promotion and export marketing; expansion of Basotho-owned small to medium-scale enterprises (SME's); and development of rural productive activities.

### Target audiences:

Training to increase GOL management capacity will target three key ministries: the Ministry of Economic Affairs and Manpower Development (specifically the Central Planning Unit); the Ministry of Employment and the Ministry of Finance. These three ministries play key roles in achieving economic development and in ensuring adequate labor analysis and planning. (Several units within the Ministry of Trade and Industry will also benefit from project training. They are included under the section on private sector development).

Training to increase private sector employment capacity will target the following local institutions:

Investment Promotion/  
Export Marketing:

Lesotho Exporters' Association;  
Lesotho National Development Corporation;  
Trade Promotion Unit

Basotho-owned SME Expansion:

Lesotho Chamber of Commerce and Industry;  
Business Training Center;  
Lesotho Institute of Accountancy Studies

Development of Rural  
Productive Activity:

BEDCO;  
Business Extension Officers;  
Lesotho Bank/Lesotho Agric. Development Bank

Types of Training

The HRDA project stresses the use of in-country and third country institutions for training. In the case of Lesotho, several local training institutions will be strengthened and at least one regional training institute will conduct programs in Lesotho or will train Basotho participants at the regional location. Short term U.S. technical assistance will be provided in instances where local or regional expertise cannot be identified.

Training Programs and Management:

To ensure appropriate organization, implementation and evaluation of the numerous training activities scheduled under HRDA, particularly the in-country programs, the USAID Lesotho human resources development staff will include a project-financed, fulltime HRDA coordinator.

The HRDA coordinator will work closely with a Private Sector Advisory Board, composed of representatives from the Ministry of Trade and Industry, the Ministry of Women's Affairs, LCCI, BTC, BEDCO, LIAS and the Exporters' Association. This Board will meet at least once every six months to review program plans; identify specific training program objectives, audiences and dates; and evaluate past programs. Management and financial control of all HRDA training activities will be the responsibility of the USAID mission.

The total cost of training over the five year life of project is estimated to be \$1,800,000, or an average of \$360,000 per year. Approximately 60% of the funds will be devoted to private sector development.

In order to provide flexibility to the mission to respond to ad hoc requirements for short term training which may arise, an annual allocation of \$30,000 is included in the HRDA training budget as of Year Two for short term training programs in the U.S.

Within AID/W, AFR/TR/EHR will provide backstopping as regards identification of training resources for program implementation in Lesotho. AFR/TR/EHR will also develop programs for trainers and staff of support organizations in the Eastern and Southern Africa region.

## I. COUNTRY PROGRAM ANALYSIS

### A. USAID PRIORITY DEVELOPMENT AREAS

As a small, landlocked country with limited natural resources and completely surrounded by the Republic of South Africa, Lesotho faces a number of unique development problems. Although the nation is basically rural (over 85% of all inhabitants live in rural areas), the rural sector is declining. Less than 13% of the total land area is arable. The agricultural yield per hectare on this land area has declined over the past 10 years for all major crops and the amount of land being cultivated has decreased, due to urban growth and severe erosion problems.

The population of 1.6 million is growing at an annual rate of 2.6%, but the domestic economy is not creating more jobs. For the 20,000 new entrants in the job market every year, at most 6000 new jobs are available. Mine employment in the Republic of South Africa (RSA), which accounts for more than 50% of Lesotho's GNP and provides more than 120,000 jobs, has reached a plateau. If, for reasons of increased mechanization, miner demonstrations or political instability, the numbers of Basotho miners were decreased, domestic unemployment, already estimated at 34% of the active population, could reach crisis levels, with the attendant risk of social instability.

While the manufacturing sector has more than doubled its share of GDP since 1980 (from 7% to nearly 15%), additional growth is crucial. Manufactured goods are the country's most valuable export, representing two-thirds of export earnings. Lesotho offers a positive policy environment for investment, a relatively well educated and competitively priced manpower base, adequate infrastructure, preferential access to foreign markets and significant tax incentives. On the downside, Lesotho lacks skilled managers, a local entrepreneurial class and raw material inputs. Distances to external markets are considerable and bureaucratic procedures are slow. Corruption has been a problem at times in the past. Above all, Lesotho must compete with South African companies and particularly with the very favorable investment incentives being offered at present in the South African homelands.

Manufacturing growth to date has resulted primarily from foreign investment (dominated by RSA- 74%) in food processing, textiles, leather and footwear. However, industrial exports make little use of local raw materials. Basotho-owned private firms are primarily small trading and service companies, concentrated in Maseru or district government centers.

A large trade deficit exists with RSA from which 95% of all imports are derived and to which 85% of all exports are destined. Imports are more than twice GDP, represent 15 times the value of all exports and include certain products which could be produced locally (e.g., fresh fruits, dairy products, skins and hides and certain processed foods).

Lesotho's GNP is also very dependent upon SACU receipts (70% of total GOL revenues come from SACU receipts). Recent shifts in RSA policy, placing more emphasis on domestic indirect taxation, will reduce the level of SACU receipts for Lesotho.

Rural stagnation, growing unemployment, decrease in SACU receipts, heavy dependence upon miners' remittances and the uncertainty of future relations with the Republic of South Africa, make it essential that Lesotho develop economic self-reliance.

USAID/Lesotho's CDSS identifies the educational, agricultural and health sectors and the promotion of economic policy reform to support private sector initiatives as the priority areas for its development assistance in Lesotho.

#### B. DEVELOPMENT CONSTRAINTS IN PRIORITY AREAS

The following constraints to Lesotho's social and economic development are emphasized in the mission's CDSS:

- lack of planning and decision making skills at middle and top management levels of key Government of Lesotho (GOL) ministries;
- inefficient land-use and agricultural practices, resulting in constantly accelerating degradation of the environment and steadily declining standards of living;
- weak marketing and private sector infrastructure;
- high levels of unemployment and dependency upon migrant labor to the Republic of South Africa as its largest source of income;
- an educational system inadequate to provide relevant education and training at all levels; and
- rapidly expanding population, which exacerbates education, environmental degradation and unemployment problems.

USAID/L's current bilateral project portfolio addresses a portion of these problems. The Basic and Nonformal Education Systems Project (BANFES), in place since 1985, is designed to improve educational efficiency, meet basic education needs and provide for more practical skills training, through the provision of technical assistance and training to key Basotho educational institutions.

The Lesotho Agriculture Production and Institutional Project (LAPIS), in place since 1986, is designed to increase production of high-value horticulture, to expand domestic and export markets and to halt natural resources/environmental degradation.

The regional Lesotho Family Health Services Project is intended to assist in providing more effective and self-sustaining primary health care for childhood survival and in limiting population growth.

Through these projects, USAID/L works closely with the Ministry of Education the National Curriculum Development Center, the National Teachers Training Center, and the Thaba Tseka Skills Training Center (BANFES); the Ministry of Agriculture and the Lesotho Agricultural College (LAPIS); and the Ministry of Health (Family Health Services). The mission is finalizing its Economic Policy Reform Program to broaden private sector involvement in agricultural input supply, livestock grazing control and marketing.

USAID/L intends to use resources from the HRDA project to focus on two major constraints to development which cannot be adequately addressed through existing projects:

- developing the GOL capacity to manage scarce resources; and
- increasing private sector employment capacity to decrease unemployment and dependency on migrant labor.

These objectives complement the national policy objectives set by the GOL in its Fourth Five Year Plan, particularly those set by the following ministries:

Ministry of Trade and Industry: reduce the unfavorable balance of trade; create additional employment; promote Basotho entrepreneurship; encourage regional decentralization; increase the value of exports by diversification; reduce dependency on RSA.

Ministry of Employment: generate more employment opportunities in major productive sectors (agriculture, manufacturing, construction and services); establish a migrant labor data base; encourage labor intensive export and import substitution industries and small-scale businesses.

## II. HUMAN RESOURCES ANALYSIS

### A. HUMAN RESOURCES REQUIREMENTS FOR ACHIEVING DEVELOPMENT OBJECTIVES

The following human resources development requirements were identified in line with the HRDA project objectives for Lesotho:

#### 1. Develop GOL capacity to manage scarce resources

According to an April 1986 report by the IBRD on Management Issues and Training Needs for the Lesotho Public Administration, the difference between managerial and administrative functions is blurred in Lesotho. Public servants are both policy makers and policy executors. Among the 15 GOL ministries, 4 executive departments and some 14,500 civil servants, there is a constant problem of too few qualified candidates for the upper and middle level management positions. In addition, most existing training opportunities do not adequately address professional needs.

Among the critical problems identified by the IBRD are:

- Management difficulty in setting clear objectives and in delegating responsibility and decision making, resulting in overburdening of key executives who then cannot concentrate on long term policies and issues;
- lack of effectiveness of the central planning function, particularly as concerns long range economic and labor forecasting;
- inadequate management of the work process, i.e., definition of objectives, monitoring and controlling of outputs; and
- poor communication and coordination among GOL ministries.

The Swedish aid organization SIDA and the British ODA have been involved recently in management training to address certain of these issues, particularly on the level of the principal secretaries.

USAID/L began efforts to develop planning, policy reform and management capabilities of key GOL ministries under the General Manpower Development Project, a \$10 million project which trained from FY 78- FY 82 a total of 73 GOL officials in long term degree programs in the United States (47 Bachelor level degrees, 21 Master's level and 1 PhD) and in third countries (4 master's level degrees). This project also provided training in public administration at the Lesotho Institute for Public Administration (LIPA) and at IDM (Institute for Development Management).

Through the BANFES and the LAPIS projects, these efforts are being continued in the GOL ministries of Education and Agriculture. BANFES to date (i.e. in the last 3 years) has conducted more than 132 different training activities, including 20 U.S. degree programs (of which 16 were on the Master's level), 24 study tours (20 were in Southern Africa) and 88 in-country training sessions (71 were conducted by BANFES technical assistance staff).

The LAPIS project has trained a total of 69 persons in the past two years, mainly in the U.S., including 3 PhD's, 24 Master's, 34 bachelor's and 8 certificate programs.

The HRDA project targets the Ministry of Economic Planning and Manpower Development (specifically the Central Planning Unit); the Ministry of Finance and the Ministry of Employment for short term training in management and economic and labor forecasting. (Certain units within the Ministry of Trade and Industry will also benefit from training. These programs are described under the section on private sector development).

The following GOL management training needs will be addressed under HRDA (details on recommended programs, locations, dates and costs are provided under Section III- Country Training Strategy):

Central Planning Unit: training in economic planning and analysis; training in management by objectives.

Ministry of Finance: training in national budgeting; training in financial restructuring; training in managing external debt.

Ministry of Employment: training in labor economics, with emphasis on the development and analysis of labor statistics, particularly as relate to the migrant worker population and employment opportunities.

## 2. Increasing Private Sector Employment Capacity

Data from the 1986 census indicate that there are currently some 923,000 persons in the active population. Only 650,000 of that number are employed. Migrants workers account for 133,500 persons, with 115,000 employed in the gold and platinum mines in RSA. No more than 65,000 persons are employed in the domestic formal sector (10% of the total labor force). Government jobs, including education and security, represent almost 50% of total formal sector employment. Each year an additional 20,000 persons join the employment market while the formal sector is able at present to provide only some 6,000 jobs per year. It is becoming increasingly critical for the local private sector to expand its current operations and for new enterprises to develop.

While the general policy environment in Lesotho in which small to medium-scale enterprises (SME's) operate is relatively positive, most firms or potential entrepreneurs suffer from inadequate management skills. (See Annex 2 for an analysis of the private sector in Lesotho). The results of a survey of local SME's conducted for the HRDA project identified the following private sector management training needs, which the HRDA project will address:: principles of management (geared towards owners and senior managers of Basotho firms and including notions of long term planning, market analysis, personnel management and cost accounting); financial management (especially accounting, bookkeeping and cash flow management); product development and marketing.

Basotho-owned businesses and potential entrepreneurs also suffer from a lack of access to credit. Local financial institutions are reluctant to lend to private enterprises. This is due in part to traditional aversion to higher risk lending but also to a lack of skills in credit analysis for such projects. Also, banks would more readily provide financing to these firms if some form of credit guarantee mechanism existed. The HRDA project will sponsor workshops involving financial institutions, donors and private sector representatives and support organizations to explore the mechanisms and advantages of a credit guarantee scheme for small to medium-scale firms, particularly rural firms. The HRDA project will also provide training to loan officers from at least two Basotho banks, the Lesotho Bank and the Lesotho Agricultural Development Bank, to encourage increased lending to the private sector.

Most of the institutions which support the private sector in Lesotho lack adequately trained staff to respond to the needs of SMEs. The HRDA project will provide training to strengthen the following institutions:

Exporters' Association: the Exporters' Association includes over 50 of the companies which have received financing from the Lesotho National Development Corporation (LNDC) and, in a few instances, from the Basotho Enterprise Development Corporation (BEDCO) (see below). The Association has no paid staff but wishes to explore market opportunities outside the immediate Rand market area and the EEC, including markets throughout the PTA region (Eastern and Southern Africa) and in North America. The current head of the Exporters' Association is a former LNDC employee. He has experience in EEC and Nordic markets, but would benefit from exposure to export marketing in North America. In addition to training for the key officer(s) of the Exporters' Association, the larger membership would benefit from in-country training in international marketing techniques. This training will be provided by HRDA.

Lesotho National Development Corporation (LNDC)- LNDC was established in 1967 to promote the industrial and commercial development of Lesotho, particularly in manufacturing and processing. LNDC, with a staff of 70 Basotho and 2 ex-patriates, has set up about 70 companies which employ more than 6000 Basotho workers. LNDC offers a variety of services to investors, including rental of industrial sites, concessional loans (and in some cases equity participation), loan guarantees and grants for up to 75% of the cost of training workers. These services support the structural incentives offered by the GOL, including free movement of capital, dividends and profits, up to a 10-year tax holiday, with exceptional extensions for another 5 years; duty-free access to EEC and SACU markets and preferential treatment in U.S., Nordic Countries, PTA and SADCC markets.

LNDC operates 3 industrial estates in Lesotho and holds equity in 14 companies. Over 90% of LNDC projects are export-oriented, although consideration is now being given to certain import substitution projects. Employment creation in industry in Lesotho is largely determined by LNDC's performance. According to the Fourth Development Plan (1986-1990), LNDC aims to create 1128 jobs per year during the plan. IBRD estimates that a level of 350 jobs per year is more realistic, once allowance is made for account cancellations, liquidations and expansions of existing firms. The IBRD has recommended the creation of an Investment Promotion Unit within the LNDC to establish linkages with consulting and market research firms to better identify target markets and firms for investment in Lesotho. To support that recommendation, the HRDA project provides for training for LNDC official(s) in international marketing and investment promotion.

Trade Promotion Unit (TPU)- The TPU was established by the Ministry of Trade and Industry in 1978 to promote Lesotho's foreign trade by providing internal and external trade services (trade information and publicity, market and product development assistance, training and participation in trade policy discussions) to exporters. The TPU receives assistance from the International Trade Center (ITC). The TPU Trade Commissioner, who has been in place since its inception, acknowledges that U.S. contacts have not been numerous or fruitful. TPU needs to know more about U.S. market conditions and international marketing techniques. The HRDA project will provide such training.

Lesotho Chamber of Commerce and Industry (LCCI)- The LCCI, established in 1976, has a current membership of 1800 small-scale Basotho-owned firms, mainly trading companies, and some 12 larger associate members. The LCCI is run by an Executive Committee consisting of an elected Chairman, Secretary-Treasurer, ten district charimen and three representatives from the associate members. The LCCI publishes a circular for the districts every week and a newsletter every two months. Regular members pay 10 maloti for membership (\$5), while associates pay 1000 (\$500). The income from its current membership (up in numbers among the smaller firms, but down among the larger) is insufficient to cover even its small staff of 2 professionals and one secretary.

The LCCI has received almost no donor assistance (a Canadian student intern worked with LCCI over a 4-month period and an ITC-funded expert spent 2 weeks writing recommendations which the Chamber could not implement due to lack of funds). The Chamber has need of a dynamic Executive Director to develop an effective organization, expand the Chamber's membership and increase its voice in policy deliberations affecting the private sector. The LCCI now suffers from an image of a small, traders-only group, inclined to block foreigners from obtaining business licences. The HRDA project will provide a development grant to the LCCI for staff training and procurement of limited hardware.

Basotho Enterprise Development Corporation (BEDCO): BEDCO was created by the GOL in 1975 to promote small-scale Basotho-owned businesses through the provision of credit facilities (up to \$50,000 equivalent at 12-15% interest to principals who can contribute 10% equity) and extension services. BEDCO also provides low cost rental space in 2 industrial estates, helps with the supply of raw materials and rents various types of machinery. BEDCO received 10 years of technical assistance from CEDA and loans from the IBRD and ADB for its credit facility. To date, BEDCO has financed over 250 companies, of which nearly 150 were in manufacturing. These companies created 1600 jobs at an average cost of \$2000 equivalent per job. BEDCO recently obtained \$1.2 million assistance from the U.N. Capital Development Fund to continue its credit program and to build 5 rural training centers. A BEDCO request for assistance is also being evaluated by the Germans for help in renovating and expanding facilities in Maseru.

According to the Fourth Development Plan, BEDCO will assist in creating 250 jobs per year from 1986-1990. (IBRD estimates that a more reasonable level would be 65 net additional jobs). BEDCO's rather bleak performance during its early years (30% payback rate) has improved considerably due to better tracking of repayments.

At the present time, BEDCO provides business training and technical training. The business training involves courses in accounting, supervision, communications, retail management and marketing. Technical skills training involves sewing, knitting and woodworking. (Knitting and sewing represent 80% of all technical training and 80% of all trainees are women). There is no charge for any course. Although most trainees are from the Maseru area, BEDCO organizes some 12 courses in rural areas per year, mainly in knitting and sewing.

BEDCO has 5 loan officers and 5 business counselors. Both groups lack exposure to real business situations (they are recruited out of college) and require training and/or internships to develop their skills. The HRDA project will provide such training.

Business Extension Officers (BEO's): The Ministry of Trade and Industry has allocated up to two business extension officers per district in each of the ten districts in Lesotho to work with small enterprises, under the supervision of the Business Training Center (see below). At the present time, only a portion of these positions are filled, due primarily to low salaries. The BEO's do not have access to transportation, which hinders their mobility in the rural areas. Only very limited teaching materials are available for them to use with their small business clientele. Most BEO's have only secondary school level educations. A limited number have additional training in basic bookkeeping. The BEO's require training in basic business consulting skills. The BEO's are the persons closest to the rural areas and could be effective links with small farm managers and small-scale rural producers. In the Five Year Plan (1987-1991) developed by the Business Training Center which supervises the BEO's, it was recommended that the BEO's be trained in conducting local business need surveys, to teach pre-business workshops, to teach small business management workshops and to plan district course offerings. It was further recommended that they have minimum qualifications (Bachelor's in Commerce and some business experience) and adequate transportation.

According to the Five Year Plan, if such training were provided, BTC, through the BEO's, could almost double enrollment in its pre-business and small business management courses, from 834 in 1986 to 1633 by 1991. The HRDA project will provide business consulting skills training to the BEO's.

## B. TRAINING RESOURCES

There are several viable Basotho training institutes. The HRDA project targets the Business Training Center (BTC) for strengthening and will use the Lesotho Institute of Accountancy Studies (LIAS) as a training resource. Three other institutes are also described below since their area of activity is close to that of the project (LDTC, LOIC and LPI). This section does not describe the Institute for Extra-Mural Studies (IEMS) or the National University of Lesotho (NUL), since it is assumed that their professors could be accessed through BTC as needed.

It should be noted that a serious problem of lack of coordination among the various training institutes does exist, despite several attempts to set guidelines for responsibilities. It is hoped that the regular meetings of the HRDA Private Sector Advisory Board will contribute to a better definition of roles and functions among these institutions.

### 1. Relevant Country Training Resources

Business Training Center (BTC): The BTC was created in 1974 to provide management training to Basotho SME's throughout Lesotho. Since its inception,

BTC has been managed by a Board composed of the Ministry of Trade and Industry, the Lesotho Chamber of Commerce and Industry and the Institute for Extra-Mural Studies/National University of Lesotho (IEMS/NUL). Policy decisions are made by the Board and day-to-day supervision is provided by IEMS, which assists BTC in line with its own mandate for adult education. BTC uses the Maseru and regional facilities of IEMS for its courses. The Business Extension Officers (BEO's- see above) are supposed to assist in implementing courses in the ten districts in Lesotho. BTC itself is staffed by three persons, including a director currently assigned from IEMS (Mr. Lebusa, who has been with BTC since 1975) and an assistant director, Mrs. Lesodi, assigned from the Ministry of Trade and Industry. In addition to this core staff, two IEMS professors have been seconded to BTC- one is assigned to work with the LCCI and the other to work with the Thaba Tseka Skills Training Center.

BTC has limited resources and up to now has only been able to implement two types of short courses per year (one in Pre-Business Skills and the other in Small Business Management, enrolling a total of 814 students in 1986). Most recently, through a grant provided by the Lesotho Milling Company, BTC implemented a course in basic financial management and planning in the 10 districts, which drew primarily small traders. (Each course had an average of 35 students between the ages of 25 and 35, two-thirds of whom were female. The course lasted 5 days and received positive evaluations from the students).

BTC also offers a 9-month business certificate program in small business management. Participants meet once a month from Friday p.m. to Sunday noon and pay the equivalent of \$125 for the course. In 1987, 19 of 23 students completed the course. Most participants were between 30 and 40 with a high school education. Two-thirds of the participants were women. The course received a very positive evaluation.

In view of its ongoing contact with small businesses throughout Lesotho, BTC is recommended as the primary training resource to implement management training under HRDA. Funding under HRDA is provided to continue to implement the district programs in basic management topics for SSE's and to implement courses for owners and senior managers of slightly larger firms. These latter courses would be implemented initially with the assistance of external resources. (The Small Business Development Center in the University of Port Elizabeth has been identified as one source of assistance for courses in marketing, personnel management, advertising and sales.)

A closer affiliation between BTC and NUL (National University of Lesotho) was also identified as a need. The HRDA project will attempt to promote this effort by providing funding to assist in placing NUL students as interns in local small businesses, through BTC.

Lesotho Institute of Accountancy Studies (LIAS)- LIAS was created in 1978 to coordinate the development of the accountancy profession in Lesotho, with the goal of creating a pool of skilled Basotho professionals. LIAS, with the assistance of the Irish Government, has set detailed education, examination and practical experience requirements which prospective accountancy candidates (in either licensed, registered or certified accountant programs) must meet. The Irish Government invested initially in infrastructure and initial expatriate staffing of the institute and continues to fund the operating budget, on the order of some \$250,000 per year. LIAS requested funding from USAID (\$325,000 over three years) to provide practical experiences for their accounting students; to pay tuition for certain prospective students and to provide continuing education opportunities for its members. After examination of the proposal and discussion with LIAS management, it is recommended that the HRDA project focus on providing tuition grants for candidates from Basotho-owned SME's. LIAS estimates that of its 160 students, about 60% come from the public sector. The other 40% break down into 40% from practicing CPA firms; 40% from large private or parastatal firms and 20% (including some 5-10 new students each year) from small to medium-scale Basotho-owned firms. Since tuition for the 8 weeks of instruction per year runs around 1,000 maloti (\$500 equivalent), many smaller firms are unable to finance their employees' studies, or require the employee to pay for tuition and to take unpaid leave to attend the course. LIAS estimated that a tuition grant of 2000 maloti (\$1000 equivalent) would cover the cost of tuition and leave for one student. The HRDA project provides for up to 10 such tuition grants per year, reserved for students from small to medium-sized Basotho-owned firms.

## 2. Other related training institutes

There are at least three other training institutes which may be considered for inclusion in certain HRDA training activities.

Lesotho Distance Training Center (LDTC)- the LDTC was established in 1974 by the GOL and the British International Extension College in order to provide nonformal education to those who were unable to otherwise complete their education. The 205-person LDTC staff conducts 4 types of activities: correspondence courses at the secondary level, especially for housewives, herdsboys and the rural population; adult education in urban areas provided through booklets on specific topics such as vegetable gardening or nutrition; literacy and numeracy for primary school dropouts via self-instructional materials backed up by learning monitors in 5 regional centers; and a service agency which among other things administers an Assistance Fund which lends to rural groups to start small income-generating activities. Since the Fund's inception in 1982, over 40 groups have received loans for activities including knitting, sewing, gardening and poultry, pig or dairy projects. The average loan per group is the equivalent of \$30,000. Only one loan has defaulted to date, although several are in arrears. Only 3 staff are assigned fulltime to the Service Agency. LDTC asked for assistance in training their Assistance Fund recipients in leadership, accounting and bookkeeping. The HRDA project should support this request under the auspices of the training provided by the BTC. LDTC Service Agency trainers should be included in the HRDA training programs for the Business Extension Agents.

Lesotho Opportunities Industrialization Center (LOIC)- LOIC was created in 1978 and is involved in two major activities: vocational training for disadvantaged youths from 16 to 30 in skills such as carpentry, masonry, sheet metal, plumbing; and training in management and business development (MBD), primarily for women in villages. The latter program has been implemented since 1981 when the Germans provided \$30,000 equivalent to begin a pilot lending program. The MBD program lasts 5-7 weeks and draws up to 40 participants per course, 75% of whom already have some small business. Since donor assistance ended in 1983, LOIC has been 80% funded by the GOL, with the balance coming from fundraising among donors and PVO's. LOIC has a staff of 26, including 11 trainers and 2 counselors. Three of the trainers work on MBD. On an annual basis, LOIC trains some 45-50 vocational students and 100-120 MBD students. The PVO coordinating group PACT is to provide \$35,000 to LOIC for salaries and operating expenses over the next three years to expand the MBD component by 2-3 instructors to train 250 additional persons. LOIC instructors might be included in any HRDA train-the-trainer activities in business consulting skills.

Lerotholi Polytechnic Institute (LPI)- LPI was created in 1905 to provide skills training on a technician level. It is the only school in Lesotho providing this level of technical training. LPI now offers three types of programs: technical training courses (enrolling 137 students per year- 15% female) in architecture, civil engineering, electrical engineering and mechanical engineering; craft level training (enrolling 250 students per year- 15% female) in electronics, bricklaying, carpentry, dressmaking, electricity, mechanics, panel beating, plumbing, tailoring, upholstery; and commercial training (enrolling 117 student per year- 90% female) in business studies and secretarial studies. The commercial training course lasts 2 years and provides an overview of accountancy, bookkeeping, office procedures, commercial correspondence, law and typewriting. LPI also occasionally organizes specialized short term programs upon request- e.g. programs in dressmaking, automotive mechanics and electrical appliance repair for private sector firms. These programs are offered during vacation periods when regular students are on leave.

Interns pay \$250 equivalent per year; externs pay \$125. LPI employs 54 instructors/lecturers, including 10 for the commercial courses. LPI appears to be one of the best endowed training institutes in Lesotho. It continues to receive German assistance and 7 expatriate instructors work there. It receives multiple offers for training its instructors- up to 45 per year. LPI did indicate that training for up to five of its business instructors is needed in business skills (pricing, bookkeeping, accounting).

### 3. Third country institutes

At least three third country institutes are of interest to the HRDA project: ESAMI, Kenya Institute of Management (KIM) and IDM. Training for the BEDCO counselors is planned at KIM and other programs may prove of interest at the other two training institutes.

ESAMI (Eastern and Southern African Management Institute), located in Arusha, Tanzania, has already provided training to a number of Basotho instructors in various fields and is generally well regarded. Programs of particular interest at ESAMI, especially for trainers or counselors working with the private sector, include: Workshop for Trainers of Women Entrepreneurs; Small-Scale Industries Development; Management Seminar for Women Entrepreneurs; Small-Scale Manufacturing Enterprise Management; Budgeting and Budgetary Control; Workshop on Export Marketing; Marketing Analysis, Planning and Control. Most of these courses are offered at Arusha and last 4 weeks.

Kenya Institute of Management (KIM)- KIM offers a variety of short term courses in management topics. Most are designed for the owners or operators of medium to large-scale firms. However, KIM has recently instituted a train-the-trainers course for small business trainers which is particularly applicable to the needs of the BEDCO business counselors. (See Section III for details).

Institute for Development Management (IDM)- While IDM is not targetted for assistance under the HRDA project, it does offer certain interesting programs for public sector officials in management and administration, at either its Lesotho location or one of the other two regional locations. Some IDM programs may be viable alternatives to U.S.-based programs and may be substituted as needed.

### C. OTHER DONOR ACTIVITIES

There is a large amount of donor activity in Lesotho and it is increasingly coming to bear on private sector development.

UNDP- The UNDP NY office has strongly encouraged their local missions to become more active in private sector development. The UNDP NY office has recommended quarterly meetings in Lesotho in 1988 to bring together the GOL and the private sector in order to define needs- credit, training, technical assistance, etc. UNDP is working on a strategy paper with the Ministry of Economic Planning for private sector development. The UN-funded ITC is very active within the Central Bank in developing its export financing scheme and is providing technical assistance to the Trade Promotion Unit.

UNCDF- The United Nations Capital Development Fund is assisting BEDCO in the construction of 5 rural workshops and in putting into place a loan scheme to finance productive activities.

GTZ- the Germans have been very active in Lesotho and are now considering a major technical assistance project with BEDCO, which would also include rehabilitation of Maseru workshops and the construction of a rural training center in Mafeteng. The Germans are currently involved in the woodworking program within BEDCO and have implemented the first in a series of pilot entrepreneurial development training workshops. The Germans are also very active in LPI.

UNICEF has provided nutritionists to the Ministry of Agriculture who will soon be trained by BEDCO to provide management training to rural village women.

IBRD has provided major loans to LNDC and to BEDCO to finance their onlending for enterprise development.

EEC has recently confirmed its intention of providing a grant of over \$9 million to Lesotho to implement a major manpower development and training project to support the Highlands Water Project. Training will be provided for technical and administrative skills for personnel who will work with the \$2 billion water project. The EEC will fund construction and technical assistance at the Lerotholi Polytechnic Institute and the Lesotho Institute of Public Administration. Technical assistance will also be provided to the National University of Lesotho and certain GOL bodies. The Highlands Water Project will create some 2000 new jobs, primarily in construction-related fields.

Due to the large number of donor activities in Lesotho and the very large number of long term scholarships offered, particularly by EEC donors, the HRDA project will limit all project training to short term training and will concentrate on third country and more particularly in-country activities to strengthen local business organizations and local training institutes and to provide training directly to the local private sector.

#### D. WOMEN

Women play a major role in the Lesotho economy due to the absence of 60% of the male population in the 20-44 age group who are employed in RSA mines. Only 40% of the households in Lesotho are headed by males. In the other 60%, women are responsible for running the household, raising children, tending the fields and livestock. Women are responsible for 70% of all agricultural work in the country. They are handicapped by legal restrictions on their rights to own property or to obtain credit. There are several large women's organizations in Lesotho which are becoming more and more active in organizing conferences on practical topics, including food preservation, health, education, home industries, first aid, etc. Since the HRDA project in Lesotho targets 50% women participants, it is critical to ensure that project training activities are well publicized so that a maximum number of women may attend. The HRDA Private Sector Advisory Board should include a representative of the Ministry of Women's Affairs, responsible for coordinating with all womens' groups in Lesotho.

The USAID/L experience to date in seeking women candidates for training has been positive: BANFES has trained 50% women participants and LAPIS has trained 40% women. The HRDA project should be closely coordinated with the upcoming 1988 CID/WID project on income-generating activities for women, in order to further increase opportunities for women participants.

### III. COUNTRY TRAINING STRATEGY

#### A. STRATEGY OBJECTIVES AND TARGETS

In line with the HRDA regional project objectives and targets, the five-year Country Training Strategy for Lesotho will concentrate on increasing the GOL capacity to manage scarce resources and on increasing private sector employment capacity. The strategy provides for 80% of training in support of private sector development and targets a level of 50% women participants.

##### 1. Specific Training Objectives

Training for GOL officials will be designed to increase their ability to plan for economic growth and labor utilization, particularly as concerns analysis of economic indicators and analysis of labor statistics.

Training efforts to increase private sector employment capacity will be geared to three subobjectives: (a) development of investment promotion and export marketing to attract more productive investment in Lesotho and to increase the export potential of existing products; (b) expansion of existing Basotho-owned small to medium-scale enterprises (SME's) to generate new jobs; (c) development of rural productive activities.

Training for private sector development will concentrate on in-country training activities which will be implemented by local training institutes either as direct suppliers, or working in conjunction with external resources. In the latter case, the external training resources (either U.S. or regional African) will work with the Basotho training institute to ensure that it is capable of subsequently implementing the same type of program on its own.

Certain training activities are designed to strengthen local institutions which support the private sector (e.g., the Lesotho Chamber of Commerce and Industry and the BTC Business Extension Officers).

##### 2. Target Audiences

Training to increase the GOL management capacity will target three key ministries: the Ministry of Economic Affairs and Manpower Development (specifically, the Central Planning Unit); the Ministry of Employment and the Ministry of Finance. (Certain units within the Ministry of Trade and Industry will also benefit from training. These units are included under the section on private sector development).

Training to increase private sector employment capacity will target the following local institutions:

Investment Promotion/  
Export Marketing:

Lesotho Exporters' Association  
Lesotho National Development Corporation  
Trade Promotion Unit

Basotho-owned SME Expansion:

Lesotho Chamber of Commerce and Industry  
Business Training Center  
Lesotho Institute of Accountancy Studies

Development of Rural  
Productive Activity:

BEDCO  
Business Extension Officers  
Lesotho Bank/Lesotho Agric. Development Bank

### 3. Planned Training Activities

The planned training activities over LOP are described below. Recommended programs for Year One are described in detail, including course content, location, dates and costs. Brochures for all recommended courses have been requested by AFR/TR/EHR for transmission to the USAID/L mission.

- Strengthen GOL Management Capacity:

Central Planning Unit: The Country Training Strategy provides for two short term training programs in the U.S. per year, over the five year LOP, for a total of 10 programs. The objective of such training is to strengthen the Ministry's management capability and its economic planning capacity. Recommended programs for the Central Planning Unit include the U.S. Dept. of Commerce, Bureau of Economic Analysis course in Economic and Social Indicators for Economic Planning; the Coverdale Organization, Inc. programs in Practice of Management Principles and the Achievement of Organizational Goals; the Harvard Institute of International Development program on Investment Appraisal and Management; the University of Connecticut TPS program on Project Management; the University of Pittsburgh ITOD program on Development Management; the International Management Center's program on Public and Parastatal Enterprises- Management, Operation and Privatization; U.S. Dept of Commerce, Bureau of the Census programs in economic statistics (economic development, international trade theory, economic planning, elements of economic censuses and surveys, etc.).

One recommended program for Year One is the Department of Commerce, Bureau of Economic Analysis course in Economic and Social Indicators, conducted in Washington, D.C. from 8/29/88 to 10/21/88 (eight weeks). The cost of tuition is \$1900. Total estimated cost per participant is \$13,000.

Ministry of Finance: The Country Training Strategy provides for two short-term training programs in the U.S. per year, for a total of 10 programs over the LOP. The objective of such training is to strengthen the Ministry's ability to manage external debt; to develop the national budget; to conduct financial analysis and evaluate restructuring requirements. Recommended programs include the Arthur D. Little Management Education Institute program in Financial Restructuring; the Harvard Institute for International Development programs in Banking and Monetary Policy and in Investment Appraisal and Management; the International Management Center programs in National Planning and Budgeting and in Foreign Investment Negotiation.

One recommended program for Year One is the International Management Center (affiliated with George Washington University) in National Planning and Budgeting. This program is conducted from 10/3/88 to 10/21/88 (3 weeks) in Washington, D.C. The course deals with the planning and budgeting process in developing countries and draws on expert instructors from several Washington-based international organizations. Tuition is \$3900. Total estimated cost per participant is \$11,000.

Ministry of Employment: the Country Training Strategy provides for 5 short term training programs in the U.S. per year, for a total of 10 programs over LOP. The objective of such training is to strengthen the Ministry's ability to develop and analyze labor statistics, particularly as relate to the migrant worker population and to employment demand and supply in Lesotho. Recommended training programs include the U.S. Dept. of Labor, Bureau of Labor Statistics courses in Analysis of Labor Statistics for Policy Formulation in the Human Resources Sector; Computer Packages for Users of Labor Statistics; Measurements of Productivity; Measurement of Wages and Other Compensation.

One recommended program for Year One is the U.S. Dept. of Labor, Bureau of Labor Statistics course in Analysis of Labor Statistics for Policy Formulation in the Human Resources Sector, conducted for 8 weeks beginning on 10/17/88. Tuition is \$3,145. The cost of tuition, books, materials, computer time and housing is \$7,285. The total estimated cost per participant is \$12,000.

- Strengthening the private sector employment capacity

Increasing Investment Promotion and Export Marketing: Three organizations are targetted for training to increase investments and exports in Lesotho, which will promote the creation of additional jobs. In Year One it is recommended that one representative of each of three targetted organizations participate in a short term training program in the U.S.

The World Trade Center program on Export Market Entry Strategies is recommended for the Exporters' Association and the Trade Promotion Unit. This program will be conducted from October 17-28, 1988, for a two-week period. Tuition is \$2500. Total cost is estimated at \$10,000 per participant.

The International Marketing Institute program in Marketing Management is recommended for the Lesotho National Development Corporation. This program will be conducted from 6/19-7/29/88\* (6 weeks) and covers marketing concepts, corporate visits and forecasting and strategy. It includes modules on both marketing management and investment promotion. Tuition is \$5000. The cost for tuition, room and board is \$9,000. Total estimated costs are \$13,000.

In Year Two of the project, and again in Year Four, it is recommended that an in-country seminar be conducted by the International Marketing Institute, for all interested exporters. The program would last two to three weeks and would include a representative from the SADCC and the PTA regional organizations. Recommendations from the TIPCO "periphery team" which evaluated export opportunities to regional markets will be incorporated into the planning for these training programs. The estimated cost of each in-country training program is \$60,000.

Expansion of existing Basotho-owned SME's: Efforts toward achieving this objective will be directed towards strengthening the Lesotho Chamber of Commerce and Industry (LCCI), towards providing courses for owners and bookkeepers of existing SME's and towards promoting students internships in local SME's.

The LCCI requires an executive director and minimal computer hardware to function as a professional business organization. The HRDA project will provide a development grant to LCCI over the 5 year LOP. In Year One, LCCI will receive \$25,000 to cover salary for an executive director and the cost of a computer set-up (hardware and software). In Years Two and Three, LCCI will receive a development grant of \$15,000 per year to cover salaries. In Years Four and Five, the grant will decrease to \$10,000 and \$5,000 respectively. The gradual reduction in the grant assumes that LCCI will progressively increase its revenue generating capacity which will allow it to self-finance its executive staff. (See Annex 4 for Job Description for LCCI Executive Director, as submitted by current LCCI Executive Committee).

It is recommended that in Year One, the newly recruited LCCI executive director participate in a short term training program in the U.S. The training would include two one-week training sessions organized by the U.S. Chamber of Commerce's Center for Leadership Development. The first session would begin on July 10, 1988 at the University of Colorado and would cover basic organization management. Following completion of that session, the executive director would participate in a two week internship in a U.S. urban Chamber of Commerce, selected by the U.S. Chamber. On July 31, 1988, the executive director would begin the second one-week training program at the University of Delaware site. This program deals with management information

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\*This program is the earliest of those recommended for implementation in FY 88.

systems and budgeting for Chambers. The Executive Director would then spend 3 days in Washington meeting with the U.S. Chamber, AID, OPIC and other local organizations. The cost for tuition only at each of the two Center for Leadership Development sites is \$600, or a total of \$1200. Total estimated costs for the entire training program, including room and board and domestic travel, are \$10,000.

After the U.S. training program, the LCCI will receive three months' technical assistance from an International Executive Service Corps (or similar organization) retired executive with professional experience in directing the operations of chambers of commerce and industry, and preferably with experience working with private sector concerns in Africa. The estimated cost of this short-term technical assistance is \$30,000, assuming that the IESC formula is retained.

In Year Two, provision is made for an additional two months of technical assistance at a projected cost of \$25,000. Follow-up training for LCCI staff is provided for in Years Three, Four and Five, at an estimated annual cost of \$10,000.

Local Basotho-owned private sector firms will receive training under the auspices of the BTC. The HRDA project will provide funding in the amount of \$30,000 in Year One and \$25,000 in each of the four subsequent years to conduct courses throughout Lesotho in topics as determined by the Private Sector Advisory Board. (The additional \$5,000 funding in Year One is to cover the cost of printing a guide on How to Start Your Own Business. The local CPA firm of Coopers and Lybrand has confirmed their willingness to write such a guide, working in conjunction with the BTC for their input as concerns adult education issues. HRDA will provide the funding for printing this guide, which will serve as a teaching aid to the BTC during certain of their courses and will also be distributed to potential new entrepreneurs in Lesotho). The projected costs for course implementation are based on actual experience in 1987 by the BTC. (Lesotho Milling Company provided a grant in the amount of 50,000 maloti- \$25,000 equivalent- which covered course implementation in the 10 districts).

In addition to courses directed at small-scale enterprise, the HRDA project will also provide funding to implement every other year (i.e., Years One, Three and Five) management training programs for owners and senior managers of medium-scale firms, targetting especially those with real growth potential. The training would cover principles of management and would concentrate on themes such as long range planning, cost accounting, financial management and marketing. These courses would be designed for firms employing 5 or more persons, with the goal of training the owners in means of analyzing and implementing expansion programs. It is assumed that BTC will coordinate implementation of these programs but that external resources will be used for the actual instruction. Potential regional training resources include the Kenya Institute of Management in Nairobi, ESAMI in Arusha, Louis Allen Associates in Johannesburg or the Small Business Development Center in Port Elisabeth. To attract and retain senior managers, the trainers retained must

use a highly practical approach to the subject matter, concentrating on case studies of actual problems encountered by SME's in developing nations. The HRDA project coordinator (see below) must carefully check program content and instructor credentials for these programs. Estimated per program cost, using regional resources, is \$30,000, assuming that each program will include two implementations of a one-week course at two different sites in Lesotho (e.g., Maseru and Maputsoe in Year One).

To assist local SME's in developing their financial personnel, the HRDA project will provide complete tuition grants for up to 10 persons per year at the Lesotho Institute for Accountancy Studies (LIAS). These tuition grants will cover the cost of tuition and the leave time required for the employee to attend the eight weeks of training per year. The basic program of instruction for licensed accountants is two years. An estimated per person per annum cost of training is \$1,000, for a total annual cost of \$10,000. These tuition grants must be widely publicized so that any interested firm may apply. Selection of recipient firms will be made by the Private Sector Advisory Board, based on the firm's future growth potential and their financial status. Should there be insufficient demand for the tuition grants in any given year, LIAS may propose alternate uses of the funds allocated for tuition grants (e.g., expenditures relating to professional internships for their members or to examination costs), but the Private Sector Advisory Board should examine the merit of such proposals as compared with other needs which may arise. Funds allotted to LIAS programs should not be used to cover expenses which otherwise would be borne by multinational, public or parastatal firms.

A final component of this SME expansion subobjective is the provision of HRDA funding to finance NUL student internships within local productive firms. Funding in the amount of \$400 per student, for up to 25 NUL students, will be provided as a fee to the participating firms, to assist them in covering costs (intern salaries and supervisory time) related to the internships. NUL students should be in their second or third year of studies and should be placed in local industries or agribusinesses, rather than services companies. Internships in rural enterprises should be sought, as possible. The placement of students as interns in these firms will serve to draw the academic community and the productive sector closer together and may, in the long run, create employment opportunities for the students within the firms where they have interned.

Rural Productive Activities: to encourage the development of rural productive activities, three types of training activities are recommended. The first relates to strengthening the loan and counseling capacity of BEDCO personnel. BEDCO has as its specific mission to encourage the creation of Basotho-owned small enterprises. With the expansion of its operations into the various districts, and particularly the creation of the rural centers with UNCDF assistance, BEDCO should play a key role in encouraging the creation of rural productive activities, through initial skills training, followed by credit and counseling support. HRDA will provide funding to train 5 BEDCO business counselors in management consulting and to train 5 BEDCO loan officers in credit appraisal for small scale enterprises. It is recommended that the 5 BEDCO business counselors be trained in the Train the Trainers program in business skills, recently organized by the Kenya Institute of Management (KIM). AFR/TR/EHR has also discussed with the director of KIM the

possibility of placing the five BEDCO business counselors in 2-week internships in Kenyan small to medium-scale productive businesses, as a further learning experience. The current KIM program, entitled Training of Trainers in Entrepreneurship, lasts six weeks. With the addition of a two-week internship for each participant, total training time would be 8 weeks. The cost of the training program itself is estimated to be \$1,000. Total per participant cost is estimated to be \$3,000. (AFR/TR/EHR will provide additional information after discussions with KIM in May 1988).

It is recommended that the BEDCO loan officers participate in a regional training program on credit appraisal for small scale enterprise, currently being planned by AFR/TR/EHR for implementation at ESAMI with the assistance of the ARIES project experts. (ARIES- Assistance to Resource Institutions for Enterprise Support- has developed a workshop on lending to microenterprises which was recently conducted as a pilot in Harpers Ferry, W. Va., as the culmination of 2 years of research and curriculum development. AFR/TR/EHR plans to organize a regional workshop with ARIES in October 1988).

A second type of training activity to support rural enterprise development is the strengthening of the business extension officers (BEO's), employed by the Ministry of Trade and Industry and managed by BTC. There are 20 such positions allocated to the 10 districts in Lesotho. The BEO's are responsible for working with local enterprises, providing counseling services and developing training plans to meet their needs. To strengthen the ability of the BEO's to respond to the needs of rural enterprises, two activities are recommended. First, that the Deputy Director of BTC, Mrs. Lesodi, participate in the same training at KIM and the same type of internship as the BEDCO counselors. Second, that the BTC Deputy Director organize with BEDCO a local training program for the BEO's, conducted by herself and the BEDCO business counselors, to train the BEO's in the same techniques learned at KIM. The total cost of organizing and implementing this training program, allowing for the possibility of bringing, if necessary, one of the KIM instructors to assist, is \$25,000. A training program of this type for BEO's is scheduled in Years One, Three and Five of the project, to ensure initial training and retraining of the extension personnel who should be instrumental in promoting the creation of new enterprises.

The third type of training activity to promote rural enterprise development is related to training for the development of a credit guarantee mechanism for SME's. Annually as of Year Two, the HRDA project will provide funding to cover the cost of workshops in Lesotho to first examine the advantages and mechanics of credit guarantee schemes and to train financial institution personnel in credit analysis and monitoring for such projects. Participants in the first workshop on initiating a credit guarantee scheme would include representatives from the Central Bank, Lesotho Bank, Lesotho Agricultural Development Bank, the Ministry of Finance, the Ministry of Trade and Industry and the LCCI. The workshop could be conducted through AID/PRE's Financial Management IQC with Arthur Young, or through ARIES project resources. Subsequent workshops in credit analysis and monitoring could be implemented in country through ARIES resources. The Private Sector Advisory Board should examine the process for guarantee fund creation followed for the Central Bank's Export Credit Guarantee Facility. A total of \$60,000 per year as of Year Two is allocated for organizing and conducting these workshops.

In addition to the above training activities which relate to the key project objectives, certain other training activities are budgeted over the life of the project. First, HRDA core funds will be utilized to organize and implement regional programs on topics related to private sector development. The HRDA budget for Lesotho includes 5 participants in per year over LOP. in such regional programs. The estimated cost per participant (to cover airfare and per diem) is \$1,000.

In Year One, HRDA funds will be used to implement an in-country seminar on journalism for the Ministry of Information, with particular emphasis on personnel assigned to Lesotho Today, the local newspaper. The budget of \$10,000 for this seminar assumes a six week seminar implemented by a USIS academic fellow whose honorarium would be \$100 per day plus \$70 per diem plus airfare.

In Years Two, Three, Four and Five, the HRDA strategy allows for up to 2 short term U.S. training programs for other GOL personnel, to be allocated based on requests received from the GOL or any additional requirements to which the USAID/L mission may wish to respond. The budget allocation for these programs is \$15,000 each, for a total of \$30,000 per year.

A contingency/inflation factor of roughly 5% of total project costs is included annually as of Year Two.

Finally, the HRDA project budget allows for the recruitment of a project coordinator (the role of this coordinator is discussed in more detail below). One-half projected salary is allocated in Year One (\$10,000), with full salary allocated as of Year Two (\$20,000).

#### B. CTS SCHEDULE OF TRAINING AND COST ESTIMATES

The tables on the following pages provide:

1. HRDA FY 88 Illustrative Country Training Plan
2. HRDA Schedule of Training
3. HRDA Cost Estimates

Calculations for cost estimates were based on the following in most cases:

Short term training in U.S.:	\$15,000 per participant
In-country training program, implemented by local training institutes:	\$25,000 per program
In-country training program, implemented by regional training institutes:	\$30,000 per program
In-country training program, implemented by U.S. firm:	\$60,000 per program
Third country training programs:	\$ 3,000 per participant
HRDA regional conferences:	\$ 1,000 per participant

#### IV. MANGEMENT AND MONITORING OF USAID TRAINING ACTIVITIES

The HRDA project includes some 20 different training initiatives per year, involving over 350 individual participants. Implementation of that number of separate training activities will represent a definite management burden for the mission's existing staff.

The creation of the position of HRDA Coordinator, funded under the HRDA buy-in, is a critical part of successfully implementing the country training strategy. The HRDA Coordinator should be brought on board as soon as possible. The HRDA Coordinator should be responsible for establishing detailed annual country training plans, for drafting all scopes of work for contractors; for establishing and maintaining records on PIO/T's and PIO/P's; for setting up and aggregating data on the AID Participant Training Management System (PTMS); for communications with AFR/TR/EHR on HRDA matters; for coordinating and scheduling meetings of the Private Sector Advisory Board and for follow-up and evaluation of all HRDA training activities. A particular concern will be the efficient implementation of in-country training activities.

The person selected for this job must be an aggressive self-starter who relates well with GOL officials and private sector representatives. Prior experience in training should be a prerequisite, with prior experience in business an added plus. The job of coordinating the Private Sector Advisory Board, with its divergent views and interests, will require considerable interpersonal skills.

The Private Sector Advisory Board (PSAB) is another critical part of the success of the project. This Board should meet at least every six months to determine training program objectives, select external resources for training, allocate LIAS tuition grants to Basotho-owned firms, and establish future work plans. The PSAB should examine as a body any requests to modify the country training strategy and should regularly evaluate the results of programs implemented, including future impact. The PSAB, in the context of Lesotho, represents a unique opportunity to bring together various institutions which have yet to coordinate their efforts to support the private sector. With the assistance of the HRDA project and the mission staff, this group may promote a much more coherent approach to such initiatives than has been possible in the past.

The recommended members of the PSAB include: the Chairman and the Executive Director of the LCCI, the Principal Secretary of the Ministry of Trade and Industry, the Director of the Business Training Center, the Manager of Business Extension Services at BEDCO, the president of the Exporters' Association and the Director of the Lesotho Institute of Accountancy Studies. In view of the emphasis on increasing training for women under the project, a representative from the Ministry of Women's Affairs should also be included as a member of the PSAB.

After its initial organizational meetings, the PSAB should now schedule an implementation meeting to establish a work plan for the next 6 months' activity, taking into account the recommendations made herein for training. It is recommended that, to the extent possible, the FY 88 Country Training Plan as contained in this strategy be respected as a pilot effort. Based on the results obtained from these first initiatives, modifications may be made to the Country Training Strategy as contained in this report.

Within AID/W, AFR/TR/EHR will provide backstopping as requested for identification of training resources for program development in Lesotho.

HRDA FY 88 ILLUSTRATIVE TRAINING PLAN

<u>OBJECTIVE/TARGET AUDIENCE</u>	<u>ACTIVITY</u>	<u># TRAINEES</u>	<u>UNIT COST</u>	<u>TOTAL COST</u>
<u>STRENGTHEN GOL MANAGEMENT CAPACITY</u>				
CENTRAL PLANNING UNIT- U.S. DOC	2 ST U.S.	2	\$15,000	\$30,000
MINISTRY OF EMPLOYMENT- U.S. DOL	2 ST U.S.	2	\$15,000	\$30,000
MINISTRY OF FINANCE- IMC	2 ST U.S.	2	\$15,000	\$30,000
<u>INCREASE PRIVATE SECTOR EMPLOYMENT CAPACITY</u>				
A. INVESTMENT PROMOTION/EXPORT MARKETING				
EXPORTERS' ASSN- World Trade	1 ST U.S.	1	\$15,000	\$15,000
TRADE PROM. UNIT- World Trade	1 ST U.S.	1	\$15,000	\$15,000
LNDC-Intl Marketing Institute	1 ST U.S.	1	\$15,000	\$15,000
B. SME EXPANSION				
LCCI- Director, Hardware	DEVELOPMENT GRANT	1	\$25,000	\$25,000
LCCI- U.S. Chamber	1 ST U.S.	1	\$10,000	\$10,000
LCCI- Short Term T.A.	3 MONTHS	1	\$30,000	\$30,000
BTC- District Courses/Printing	10 IN-COUNTRY	250	\$30,000	\$30,000
BTC- Owner/Sr Mgr Course	2 IN-COUNTRY	50	\$30,000	\$30,000
BTC- Student Internships NUL	IN-COUNTRY	25	\$ 400	\$10,000
LIAS Tuition Grant	IN COUNTRY	10	\$ 1,000	\$10,000
C. RURAL PRODUCTIVE ACTIVITIES				
BTC Bus. Extension Officer Trng	IN COUNTRY	20	\$25,000	\$25,000
BTC Deputy Director Training	3RD COUNTRY	1	\$ 3,000	\$ 3,000
BEDCO Loan Officer Training	3RD COUNTRY	5	\$ 3,000	\$15,000
BEDCO Counselors	3RD COUNTRY	5	\$ 3,000	\$15,000
<u>OTHER</u>				
HRDA Regional Conferences	3RD COUNTRY	5	\$ 1,000	\$ 5,000
Min Information-Journalism Seminar	IN COUNTRY	10	\$10,000	\$10,000
HRDA Coordinator				\$10,000
TOTAL FY 88:		393		\$363,000

HRDA SCHEDULE OF TRAINING

<u>OBJECTIVE/TARGET AUDIENCE</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>
<b>I. <u>STRENGTHEN GOV. MANAGEMENT CAPACITY</u></b>					
CENTRAL PLANNING UNIT	2 SHORT TERM U.S.	2 SHORT TERM U.S.	2 SHORT TERM U.S.	2 SHORT TERM U.S.	2 SHORT TERM U.S.
MINISTRY OF EMPLOYMENT	2 SHORT TERM U.S.	2 SHORT TERM U.S.	2 SHORT TERM U.S.	2 SHORT TERM U.S.	2 SHORT TERM U.S.
MINISTRY OF FINANCE	2 SHORT TERM U.S.	2 SHORT TERM U.S.	2 SHORT TERM U.S.	2 SHORT TERM U.S.	2 SHORT TERM U.S.
<b>II. <u>INCREASE PRIVATE SECTOR EMPLOYMENT</u></b>					
<b>A. <u>INVESTMENT PROMOTION/EXPORT MARKETING</u></b>					
EXPORTERS' ASSOCIATION	1 SHORT TERM U.S.	1 IN-COUNTRY SEM.		1 IN-COUNTRY	
TRADE PROMOTION UNIT	1 SHORT TERM U.S.				
LNDG	1 SHORT TERM U.S.				
<b>B. <u>SMALL-MEDIUM SCALE ENTERPRISE EXPANSION</u></b>					
LCCI (DEVELOPMENT GRANT)	DIRECTOR + HARDWARE	DIRECTOR	DIRECTOR	2/3 DIRECTOR	1/3 DIRECTOR
LCCI (TRAINING)	1 SHORT TERM U.S.		1 IN-COUNTRY	1 IN-COUNTRY	1 IN-COUNTRY
LCCI (SHORT TERM T.A.)	3 MONTHS	2 MONTHS T.A.			
BTC-DISTRICT COURSES SSE'S	1 SERIES OF 10 (plus printing)	1 SERIES OF 10			
BTC OWNER/SR MGR COURSES SME'S	1 IN-COUNTRY		1 IN-COUNTRY		1 IN-COUNTRY
LIAS-TUITION GRANTS FOR SME'S	10	10	10	10	10
MUL/BTC STUDENT INTERNSHIPS	25	25	25	25	25
<b>C. <u>RURAL PRODUCTIVE ACTIVITIES</u></b>					
BTC BUSINESS EXTENSION OFFICERS	1 IN-COUNTRY		1 IN-COUNTRY		1 IN-COUNTRY
BTC DEPUTY DIRECTOR TRAINING	1 THIRD COUNTRY				
BEDCO LOAN OFFICERS	5 3RD COUNTRY				
BEDCO COUNSELORS	5 3RD COUNTRY				
RURAL CREDIT SCHEME (LB/LADB)		1 IN-COUNTRY	1 IN-COUNTRY	1 IN-COUNTRY	1 IN-COUNTRY
<b>III. <u>OTHER</u></b>					
HRDA REGIONAL CONFERENCES	5 PARTICIPANTS	5 PARTICIPANTS	5 PARTICIPANTS	5 PARTICIPANTS	5 PARTICIPANTS
MINISTRY OF INFORMATION	1 IN-COUNTRY				
GOV UNALLOCATED		2 SHORT TERM U.S.			
USAID/L HRDA COORDINATOR	1	1	1	1	1
CONTINGENCY/INFLATION		5%	5%	5%	5%
TOTAL PARTICIPANTS: (assumes 25/seminar)	393	349	424	374	424

HRDA COST ESTIMATES

<u>OBJECTIVE/TARGET AUDIENCE</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>
<b>I. <u>STRENGTHEN GOV. MANAGEMENT CAPACITY</u></b>					
CENTRAL PLANNING UNIT	2 ST U.S. \$30,000	2 ST U.S. \$30,000	2 ST U.S. \$30,000	2 ST U.S. \$30,000	2 ST U.S. \$30,000
MINISTRY OF EMPLOYMENT	2 ST U.S. \$30,000	2 ST U.S. \$30,000	2 ST U.S. \$30,000	2 ST U.S. \$30,000	2 ST U.S. \$30,000
MINISTRY OF FINANCE	2 ST U.S. \$30,000	2 ST U.S. \$30,000	2 ST U.S. \$30,000	2 ST U.S. \$30,000	2 ST U.S. \$30,000
<b>II. <u>INCREASE PRIVATE SECTOR EMPLOYMENT</u></b>					
<b>A. <u>INVESTMENT PROMOTION/EXPORT MARKETING</u></b>					
EXPORTERS' ASSOCIATION	2 ST U.S. \$15,000	1 IC SEM. \$60,000		1 IC SEM. \$60,000	
TRADE PROMOTION UNIT	1 ST U.S. \$15,000				
LNDC	1 ST U.S. \$15,000				
<b>B. <u>SMALL MEDIUM SCALE ENTERPRISE EXPANSION</u></b>					
LCCI - DEVELOPMENT GRANT	DIR/HARDWARE \$25,000	DIRECTOR \$15,000	DIRECTOR \$15,000	2/3 DIR. \$10,000	1/3 DIR. \$ 5,000
LCCI (TRAINING)	1 ST U.S. \$10,000		1 IC \$10,000	1 IC \$10,000	1 IC \$10,000
LCCI - SHORT TERM T.A.	3 MONTHS \$30,000	2 MONTHS \$25,000			
BTC-DISTRICT COURSES SSE'S	1 SERIES \$30,000 (plus printing)	1 SERIES \$25,000	1 SERIES \$25,000	1 SERIES \$25,000	1 SERIES \$25,000
BTC OWNER/SR MGR COURSES SHE'S	1 IC SEM \$30,000		1 IC SEM. \$30,000		1 IC SEM. \$30,000
LIAS-TUITION GRANTS FOR SHE'S	10 GRANTS \$10,000	10 GRANTS \$10,000	10 GRANTS \$10,000	10 GRANTS \$10,000	10 GRANTS \$10,000
MUL/BTC STUDENT INTERNSHIP'S	25 INTERNS \$10,000	25 \$10,000	25 \$10,000	25 \$10,000	25 \$10,000
<b>C. <u>RURAL PRODUCTIVE ACTIVITIES</u></b>					
BTC BUSINESS EXTENSION OFFICERS	1 IC SEM. \$25,000		1 IC SEM. \$25,000		1 IC SEM. \$25,000
BTC DEPUTY DIRECTOR TRAINING	1 3RD CTRY \$ 3,000				
BEDCO LOAN OFFICERS	5 3RD CTRY \$15,000				
BEDCO COUNSELORS	5 3RD CTRY \$15,000				
RURAL CREDIT SCHEME (LB/LADB)		1 IC SEM. \$60,000			
<b>III. <u>OTHER</u></b>					
HRDA REGIONAL CONFERENCES	5 PARTIC. \$ 5,000,	5 PARTIC. \$ 5,000			
MINISTRY OF INFORMATION	1 IC SEM. \$10,000				
GOV UNALLOCATED		2 ST U.S. \$30,000			
USAID/L HRDA COORDINATOR	COORDINATOR \$10,000	COORD. \$20,000	COORD. \$20,000	COORD. \$20,000	COORD. \$20,000
CONTINGENCY/INFLATION	-	\$15,000	\$20,000	\$25,000	\$30,000
<b>TOTAL COSTS:</b>	<b>\$363,000</b>	<b>\$365,000</b>	<b>\$350,000</b>	<b>\$355,000</b>	<b>\$350,000</b>

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**ANNEXES**

Annex 1

LIST OF PERSONS INTERVIEWED

USAID/LESOTHO, AMERICAN EMBASSY AND PROJECT PERSONNEL

Adrian de Graffenreid, USAID/L PDO  
Patsy Layne, USAID/L GDO  
Howard Jeter, DCM, US Embassy  
Patrick Fine, Technical Assistant to IEMS  
Richard Lankford, USIS  
Carol Schacht, USAID/L, WID/HRDA  
Susan Scull, BANFES Practical Skills Training expert

LESOTHO BUSINESS ORGANIZATIONS

Afro-American Labor Center, Peter Cannon, Resident Adviser  
Lesotho Chamber of Commerce and Industry, Mr. Molete and Mr. Matji  
Lesotho Chamber of Commerce and Industry, Christopher Eaton, Intern  
Exporters' Association, Mr. Matsau, President  
Institute of Labor Studies, Mr Semata, Acting Director  
Lesotho Alliance for Women, Mrs. Mokerosi, President  
Union of Employers of Lesotho, Mr. Kotelo (TEBA) and Mr. McCarthy

DONORS

UNDP, Mr. Lemaire, Deputy Director

GOL OFFICIALS

Basotho Cannery, Mr. Mokhesi, Executive Director  
Central Bank Export Financing Project, Mr. Nyiri, Technical Adviser  
Highlands Water Project, Ed Kim, Technical Dept.  
Lesotho National Development Corporation, LNDC- Mrs. Masupha, Economist  
Ministry of Trade and Industry, Mr. Phafane, Principal Secretary  
National Manpower Development Secretariat, Mr. Goguche, Ass't Director  
Trade Promotion Unit, Mrs. Letele, Trade Commissioner

Annex 2

PRIVATE SECTOR ANALYSIS

The Economy

Lesotho's GDP is low and is dominated by the service sectors, as shown below. After annual increases of roughly 7% during the 1970's, due primarily to the construction boom, GDP annual growth has declined to around 1.2% in real terms. The share of manufacturing and handicrafts has more than doubled since 1980, but still represents only 14% of GDP. Agriculture and livestock's share has declined during the same period, from 23 to 20%, due to drought and decreased productivity.

GDP BY SECTOR OF ACTIVITY

<u>Sector</u>	<u>1980</u>	<u>1986</u>
Agriculture and Livestock	23	20
Mining	8	-
Manufacturing and Handicrafts	6	14
Building and construction	11	13
Government and non-profit services	28	22
Others (includes other services)	24	31

The agricultural sector where more than 80% of the resident labor force is employed, contributes only 17% of GDP. Serious declines in traditional crops has occurred, with a large increase in wheat and maize imports.

Building and construction have grown from 11% to 13%, due to GOL investment in infrastructure and miners' investments in residential housing.

The manufacturing sector has substantially increased its share due to investment in food processing, textiles, leather and footwear, but its overall share remains very low. Most growth is due to foreign investment (only 2% of investment is local; 74% of investment is from RSA). Industrial exports use few local raw materials.

Industrial production has been limited by a shortage of skilled manpower, including a lack of local entrepreneurs, the small size of the domestic market, long distances to outside markets and the difficulty in competing with South African firms.

LNDC has stimulated most industrial development. Manufacturing activities in country include milling, furniture, tanning, clothing, brickmaking, paint, umbrellas, shoes, light fixtures, beer and soft drinks, sheepskins, knitwear, mats, handicrafts, canning, tire retreading and meat processing.

Labor: The active population in Lesotho numbers some 923,000 persons, with a 34% unemployment rate. About 135,000 persons work in RSA (including 60% of the male population between the ages of 20 and 44). Some 65,000 persons are employed in the formal sector. The balance of the working population is engaged as unpaid domestic workers or in agriculture. Several sources indicated that if the labor force is well managed, productivity is as high as in RSA industrial areas. There is a shortage, however, of skilled and supervisory personnel although adult literacy is 59%, one of the highest rates in Africa. Labor unions are disorganized in Lesotho. Strikes are unusual.

Infrastructure: Infrastructure in the western lowlands is the most developed, although paved roads do link certain north-south points. During the 30 year Highlands Water Project (see below), nearly 300 km of new access roads will be constructed and 260 km of existing roads will be improved. The Lesotho road system is linked at many points with South Africa.

Communications have improved considerably and telephone and telex are widely available in the urban areas.

Industrial sites: only Basotho may hold land in Lesotho and the system of land tenure is very complex. Most industrial land is leased from GOL. LNDC has industrial sites for rent in three locations in Lesotho. All have access to water, sewerage, electricity, telephone, telex and paved roads.

Transportation: Transport is not well organized in Lesotho. There is one railhead near Maseru but movement is very slow on freight trains. Maseru airport has links with RSA, Zimbabwe, Swaziland and Botswana. Goods are usually transported by road. Cargo handling equipment is scarce.

Investment Opportunities: Lesotho through LNDC seeks to attract industries which manufacture or assemble export-oriented products. The GOL appears committed to a free market economy and in general is not inclined to protect products sold in competition with imports (much to many small manufacturers' dismay). Lesotho has never nationalized a company and has no laws to that effect. Areas of most potential interest signalled by investors include food products, livestock products, textiles, leather, footwear, light manufacturing products, small consumer products and furniture.

Several companies previously established in preferential RSA manufacturing areas are relocating to Lesotho, due to consumer resistance to goods originating in RSA. Several Taiwanese firms have also moved to Lesotho, due to fewer restrictions under U.S. import quotas.

Investment incentives: Companies in Lesotho benefit from:

- tax holidays of up to 15 years
- preferential access to U.S. and Nordic Country markets
- duty free access to EEC markets
- free flow of profits, dividends, interest

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COMPANY CODE: \_\_\_\_\_  
 DATE: \_\_\_\_\_  
 INTERVIEWER: \_\_\_\_\_

QUESTIONNAIRE FOR PRIVATE SECTOR TRAINING NEEDS ASSESSMENT

NAME: \_\_\_\_\_  
 TITLE: \_\_\_\_\_  
 COMPANY: \_\_\_\_\_  
 ADDRESS/PHONE: \_\_\_\_\_

A. YOUR COMPANY

1. Which best describes your business:
  - Manufacturing
  - Agribusiness
  - Construction
  - Transport
  - Services
  - Trade
2. Are you  owner  senior manager  manager  other
3. Is your company
  - private, family owned
  - private, partnership
  - mixed ownership (private/public)
  - gov't owned
  - subsidiary of foreign firm
4. % sales exported  %
5. Is the technology involved in your company  high  average  low
6. Is your enterprise  capital intensive  labor intensive  neither
7. Who is your competition
  - local firms
  - other African firms
  - non-African firms
  - no competition (monopolies)
8. Is competition  strong  average  none
9. What are the major constraints to expanding your business?
  - gov't regulations  credit  need for trained personnel
  - need for consulting  market size  economic factors
  - need for better management  lack of marketing information

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4. How much time could your managers devote to training \_\_\_ per week \_\_\_ per year
5. How much money would you be willing to spend on training for your managers per year? \_\_\_
6. How many of your managers would you want to train? \_\_\_
7. What would be the best format  
 1 evening class/week x 4 weeks  
 1 Fri pm/Sat AM  
 2 evenings week x 4 weeks  
 In company training  
 Other (specify \_\_\_\_\_)

E. WORKER PROFILE

1. What is average level of education of your workers \_\_\_\_\_
2. How many years of work experience do most have \_\_\_\_\_
3. Training needs (rank 5 highest to 1 lowest)  
 reading/writing     clerical skills     bookkeeping  
 manufacturing/technical skills     repair/maintenance  
 selling skills     other (specify \_\_\_\_\_)
4. How much money would you be willing to spend on worker training per year?  
\_\_\_\_\_
5. How many of your workers would you want to train? \_\_\_\_\_
6. What is the best format for such training? \_\_\_\_\_

F. Experience with local training institutes

What local training institutes have you used and how would you evaluate their programs?

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G. Other Information

1. Your Age: \_\_\_\_\_
2. Total sales for your company in 1987 \_\_\_\_\_
3. % sales growth over last three years \_\_\_\_\_%
4. What is the future outlook for your business  
 excellent  
 good  
 fair  
 poor

Annex 4

LCCI PROPOSED JOB DESCRIPTION FOR LCCI EXECUTIVE DIRECTOR

The LCCI Executive Director will work under the direction of the LCCI Executive Board in implementing policy and programs. Specifically, he will:

1. Assess the organizational structure of the LCCI; its national office, the Executive Committee and the District Committees and implement changes, in consultation with the Executive Committee, that strengthen the role of the LCCI in Lesotho's national development; that strengthen District Committee activity; and that improve the operations and implementational capacity of the national office.
2. Work closely with the Treasurer and the District Committees on the financial planning of the LCCI, focussing on how LCCI can broaden its revenue base; assist the Treasurer in drawing up an annual budget and in establishing an effective system for financial control in the Chamber's national office.
3. Review the needs of LCCI members and establish those services that address these needs, in particular those services with an income generating capacity.
4. Review the means through which LCCI attracts new members; develop and implement a programme for increasing LCCI membership.
5. Take such actions that will lead to greater cooperation with and integration of other business organizations and sectors of the economy.
6. Investigate means through which the Chamber can participate more meaningfully in the design, review and implementation of Government policy related to the business community.'
7. Work closely with the Executive Committee in designing Chamber policy. Draw up a yearly programme to implement the resolutions of the Chamber's Annual General Meeting.

NOTE: IT IS RECOMMENDED THAT THE ABOVE JOB DESCRIPTION INCLUDE RESPONSIBILITIES FOR ASSESSING TRAINING NEEDS OF THE LOCAL PRIVATE SECTOR AND ORGANIZING AND EVALUATING THE NECESSARY TRAINING PROGRAMS, WORKING THROUGH THE BTC AND OTHER TRAINING INSTITUTES.

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The following represents a list of the more important documents reviewed in the preparation of this strategy.

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