

## BIBLIOGRAPHIC DATA SHEET

1. CONTROL NUMBER

PN-AAJ--220

2. SUBJECT CLASSIFICATION (695)

AE30-0000-G162

3. TITLE AND SUBTITLE (240)

Lesotho Donors Conference, Agricultural Sector, Maseru, Lesotho, 1980;  
USAID position papers and review of conference

4. PERSONAL AUTHORS (100)

Wilson, J. R.

5. CORPORATE AUTHORS (101)

6. DOCUMENT DATE (110)

1980

7. NUMBER OF PAGES (120)

122p.

8. ARC NUMBER (170)

LT630.968.W749

9. REFERENCE ORGANIZATION (130)

Wilson

10. SUPPLEMENTARY NOTES (500)

11. ABSTRACT (950)

12. DESCRIPTORS (920)

Lesotho  
Agriculture  
Employment  
Development strategy  
Sector analysis

13. PROJECT NUMBER (150)

698013500

14. CONTRACT NO. (140)

AID/afr-C-1703

15. CONTRACT  
TYPE (140)

16. TYPE OF DOCUMENT (160)

LT  
630.963  
0749

PN-AAJ-220

LESOTHO DONOR'S CONFERENCE

Agricultural Sector

Maseru, Lesotho

October 20-24, 1980

SAID Position Papers and Review of Conference

by

John R. Wilson  
Consultant

Project No. 698-0115  
Program Development and Support  
Contract No. AID/arr-C-1703

October 28, 1980

Maseru, Lesotho

PREFACE

The attached report is prepared in two sections, the first being the discussion papers prepared for the USAID Mission in Maseru prior to the Donor Conference held in Maseru October 20-24, 1980. These papers were prepared after studying the Second and Third Plan documents and an Agricultural Employment Strategy prepared by the Government of Lesotho; the Report of the Multi-Donor Agriculture Sector Evaluation Mission, June 1980; the Agricultural Sector Review and its annexes prepared by the I.B.R.D.; the USAID's ABS-1982 and the CDSS-1982, a large number of project papers, Evaluation reports and Project reports, especially those of the Lesotho Agriculture Sector Analysis (LASA), briefing papers, etc.; interviews with a few senior government officials and with USAID and other expatriate advisors; and two short trips into the agricultural areas at the middle and lower elevations.

The second part of the report consists of a short review of the conference and a summary of the USAID position enunciated at the proceedings and a few of my own observations concerning the agricultural situation in Lesotho.

Finally, I want to thank the Director of USAID, Mr. Frank Correl, for inviting me to take part in this exercise; Mr. Kenneth Sherper, Assistant Director and Agricultural Officer, and Mr. James Dunn, Agricultural Officer, for their guidance and patience as I was preparing the papers; all those who provided information, services and transportation, and finally Mrs. Maria Brathe who served as editor and typist par excellence through the several drafts of the report. The efforts of everyone were very much appreciated.

*John R. Wilson*  
*Oct. 28, 1980*

USAID DISCUSSION PAPER TR-1

The causes of slow progress in the agricultural sector and the problems and constraints which have inhibited its growth.

Discussion

It is generally accepted that there was no significant growth in agricultural production during the Second Plan. The Evaluation Mission's conclusion that slow growth in the sector are caused by economic, physical, institutional and social constraints is undisputed. Recognition of technological constraints would also be useful. More importantly, however, is clear identification of specific impediments within these broad areas of constraints.

For example, the economic reasons cited for slow growth are only those related to availability of alternative employment opportunities. However, the lack of economic incentives for farmers to increase production would also appear to be an important economic inhibition to agricultural output. It would be extremely valuable to know what specific economic incentives should receive priority attention from the MOA (e.g. - market access, price, time, risk, etc.). The process of identifying detailed constraints within each broad category would more sharply focus on the requirements to address particular problem areas.

A clear understanding of constraints from the micro perspective is essential if government decisions are going to be effective in alleviating the problems. For example, it is necessary to have direct feedback from farmers to know the real reasons extensive land areas are left fallow or the real reasons improved cultural practices (proper planting date, plant population, spacing, planting depth, weeding, etc.) are not widely utilized. Only when this information becomes available will it be possible for government programs and policies to deal effectively with production problems.

The interrelationships among various constraints must also be recognized, especially the impact of sensitive socio-cultural traditions upon economic, institutional and technological constraints. This argues for integrated programs to help resolve complex problems.

Recommendations

The USAID strongly concurs with the Evaluation Mission conclusion that most of the causes of slow progress in the agricultural sector can be influenced by effective management. This conclusion leads us to believe that special emphasis should be placed on the institutional constraints that most readily and directly affect management of human, physical and financial resources, as well as selection of priorities and programs.

All MOA programs supported by donor assistance should stress institutional development (manpower training, management and other organizational requirements). Additionally, each project should consider comprehensive program needs so that exogenous factors that impinge on project success will be addressed. Every activity should incorporate farmer participation and views to help assure realistic project design, implementation and farmer acceptance.

USAID DISCUSSION PAPER TR-2

The organizational structure and services of the Ministry of Agriculture with special reference to its performance in implementing projects.

Discussion

The fact that agriculture has not made significant progress during the past decade indicates that the MOA has been unable to successfully implement many of its field projects. At least part of the responsibility for the disappointing performance in project implementation is due to the inability of the MOA to provide adequate services and support to its programs.

The organizational changes underway in the MOA to establish a Division of Technical Services and strengthen the Extension and Information services by assigning generalists to interface with farmers and using specialists to backstop them should provide an organizational structure more suitable for achieving successful project implementation. A field-oriented MOA field staff complemented by decentralized, administrative, managerial and financial authority should improve the management and operation of many field projects. However, caution should be exercised in rapid deployment of personnel without sufficient support for them in the field or without consideration for filling critically required positions at headquarters since these will be the source of some of the skilled individuals needed for field assignments.

Decentralized decision-making and a field-oriented MOA structure do not provide assurances of successful project implementation. Necessary elements include an organization with clear objectives, skilled managerial and technical personnel, efficient systems and procedures, and an effective communication flow. Several of these elements are not present in the MOA and are discussed further in TR-3.

Performance in project implementation could be greatly improved if project managers had one central office to contact in the MOA regarding special problems or routine project implementation matters that required Ministry level decisions. That office should be responsible for monitoring project activities, maintaining regular liaison and communication with project managers, and facilitating resolution of implementation problems. If this func-

tion was performed effectively in the MOA, there would be no need to have special agricultural projects under Cabinet auspices. A recently created Project Coordinator position has been assigned this responsibility for selected projects, but one person is unable to handle the workload.

Another organizational change that would greatly improve project implementation is the strengthening of the Economic and Marketing Division to enable it to provide targets, policies, data, evaluation feedback and other essential services to projects which will be elaborated on in TR-3.

Recommendations

The USAID supports the structural changes in the MOA toward a more field-oriented organization and the decentralization effort currently underway. It is suggested these programs be implemented as rapidly as field support is available and appropriately trained and qualified personnel can be assigned without disruption of other Ministry activities.

It is strongly recommended that the Project Coordinator's functions, authority and staff be expanded so project managers have a central contact point in the Ministry with authority and ability to resolve implementation problems for special and/or large projects. The underlying purpose is to expedite execution of projects by reducing undue delays in implementation decisions and actions. Alternatively, this function could be carried out by a strengthened project formulation, monitoring and evaluation section in the Economic and Marketing Division.

The USAID supports the transfer of responsibility for cooperatives to the Ministry of Cooperatives and Rural Development. There is no need at the present time to bring oversight of food imports or administration of food aid programs under the MOA, however, the MOA should carefully monitor all national food supply and demand requirements, and be involved in all policies and decisions affecting food issues.

USAID DISCUSSION PAPER TR-3

The Ministry of Agriculture's capacity, particularly in view of its manpower constraints, with respect to planning, project identification, project evaluation and project monitoring.

Discussion

Improvement of the MOA's operational capacity is an essential precursor to any marked advancement toward attainment of agricultural sector goals. It is an "umbrella" issue that directly influences all programs, projects and operations in the MOA. Capacity in terms of manpower, policies, planning, management, administration, support and services has a major impact on the successfulness of all technical projects in the MOA.

Special attention must be given to the capacity of the Economic and Marketing Division because of its prominent role as the nerve center of the MOA. Its responsibilities include preparation of long-term plans, development strategies, policy options and definitions, data collection and analysis, and project design, monitoring and evaluation. Effective execution of these duties will provide the guidance and direction for the MOA in progressing toward its priority objectives. At the present time, the Economic and Marketing Division does not possess the ability to carry out all these responsibilities. The need to strengthen the capacity of this important Division is exemplified by the lack of quantified production targets at both the national and local levels, unavailability of baseline data and statistics, uncertainty of sub-sector priorities, inadequate policy guidance, and limited participation in project formulation and evaluation.

All divisions in the MOA lack the capacity to accomplish their objectives due to a severe shortage of qualified professional and support personnel. Additional skill training in a wide range of areas is essential. Personnel requirements extend to both quantity and quality with extensive needs for formal and experiential knowledge. Critical deficiencies in training include both managerial and technical subject matter areas.

Other major factors that limit the capacity of the MOA are presently established organizational characteristics such as management systems, centralized decision-making, ambiguous job responsibilities, complex administrative

procedures and regulations, and inadequate vertical and horizontal communications.

Recommendations

The central role of the Economic and Marketing Division should be recognized by elevating it so the Chief Planning Officer reports directly to the Permanent Secretary (not through a DPS). It should receive priority in assignment of personnel. The recently approved USAID supported Agricultural Planning project should be utilized as the primary vehicle to strengthen and develop the Division so that it can effectively carry out sectoral planning, goal setting, policy options, data collection and analysis, and project design and evaluation.

Improvement in capacity basically requires an institution building effort. To the extent feasible, all donor assisted projects should include a training component. Training in all technical areas is necessary, but it is essential to also include some training in management for technical specialists. The MOA must make a concerted effort to retain its trained personnel by providing a good work environment and other incentives, especially for those trained abroad. Upgrading and expansion of the Lesotho Agriculture College should be accelerated so that more qualified agriculturalists can receive their education indigenously.

The MOA should commission a detailed study of its operations, administrative procedures, regulations, communication systems, decision-making processes and other organization and management arrangements with a view toward streamlining its operational systems.

USAID DISCUSSION PAPER TR-4

The performance of the agricultural research and the agricultural extension services with respect to development and adoption of new agricultural technologies, high yielding crops, etc. suitable to Lesotho.

Discussion

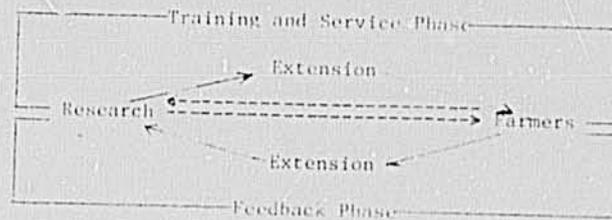
As mentioned in the Evaluation Mission Report, the responsibility for conducting research is spread throughout the MOA in many different divisions and even in some of the area based projects. As a result, research has not had the impact it should have had. Inevitably, there has been overlap of research activities, ineffective use of expatriate scientists, uneven quality of results, gaps in knowledge, etc., but more important, it has left the farmer confused because of the differing recommendations or lack of recommendations emanating from the various projects and other activities. This lack of central direction, administration, coordination and evaluation has led to a minimum of usable results at a high cost and the farmers do not have adequate adapted technology for use on their farms.

Similarly, the extension of service and information to the farmers has consisted of a number of agents representing different divisions of government such as the Conservation Division, the Livestock Division, Crops Division, etc. There is no single person that a farmer can go to in order to seek advice; he has to wait until the right man comes to him. Some divisions, such as the Livestock Division, seem to have adequate numbers of people in the rural areas and prefer to remain separate from the other divisions in the Ministry in conducting an extension program. Otherwise, there seems to be a general agreement to combining the services and having the specialists function at the district level in support of a large number of generalists at the village level. It is expected that there will be one generalist per 600 households (about 300 agents) with the number to be gradually increased to one per 200 households (about 900 agents).

One problem that has been brought to the attention of MOA by farmers is that the Ministry's research lacked relevance and usefulness to farmers. Besides the Permanent Secretary ordering the research officers to spend the

1979/80 season visiting the rural areas to determine what research needs to be done, there seems to be little provision to insure that the researchers work on the real problems of the farmers or that the results are made available to the farmers in a useable form.

Finally, there is reported to be a move underway to separate research and extension by putting the research division and the technical divisions in a Department of Technical Services while the extension division would be a part of an Extension and Information service. This would further separate research, extension and the farmer unless specific precautions are built into the system to insure farmer participation and feedback in the Farmer-Extension-Research system.



#### Recommendations

USAID generally endorses the position of the Evaluation Mission in regard to research and extension, particularly in regard to centralizing management and coordinating research, and we would strongly encourage the GOL to place both research and extension (including livestock) under the same supervisor or director to ensure close cooperation between the services needed in order to fully respond to the farmer's problems.

We encourage the government to continue with its plans to place generalists at the farm level. A question the government needs to consider in this regard is whether it is willing to support the recurrent costs of an expanded extension service such as mentioned above. Since Lesotho's cultivated land varies from as much as 355,000 hectares to as little as 260,000 hectares in any given year, each agent will be helping to increase production on between 780 and 1140 hectares when staffing is at the rate of one agent per 200 families, then the individual agent will be working on from only 260 to 380

hectares. In either case, for the investment to be worthwhile, he will have to help those farmers produce considerably more than they have been doing in order to pay his salary and the other costs of his employment, as well as the increased costs of production incurred when they buy the recommended quantities of fertilizers, pesticides, seeds and tools needed to improve the returns from their land and to make the prospects and risks attractive enough for the farmers to even try to enter the market economy.

It is recommended that the GOL move rapidly to consolidate control of research and that a team of Lesotho's own research experts be asked to review all of the research being done in the country to:

1. Determine its relevance in light of their experience last year when they visited the rural areas to determine the nature of the farmers real problems.
2. Draw out of their present knowledge, recommendations for Lesotho's farmers that could be immediately implemented.
3. Make recommendations for changes in organization needed and procedures suitable for incorporating the present research work into a countrywide program, as well as preparing a list of consultants needed to fill gaps in the present research structure.
4. Recommend procedures needed to make sure that the MOA's research programs continue to be relevant to solving agriculture's real problems. The research service and all extension services must be very closely coordinated in order to be of the most use to the farming community.

Donors and GOL should work together to upgrade the research and extension services so that as time goes on, fewer and fewer questions will have to be referred to Maseru for answers.

USAID DISCUSSION PAPER TR-5

The Government's long-term objective of self-sufficiency in basic food grain production and the potential and implications of such a policy: the trade-offs between self-sufficiency and other alternatives, including the possibilities for greater income and employment generation through introduction and encouragement of high-income crops (vegetables, fruit trees, mixed farming, etc.) or other activities.

Discussion

Lesotho produces about 60% of the maize, most of the sorghum and 45% of the wheat it eats in most years and, considering the yields it achieves per hectare, self-sufficiency would seem to be easily attainable. One would think that yields of one to one and a quarter tons per hectare would be easy - but they are not. The Evaluation Mission Report lists a long number of constraints and risks facing the farmers of Lesotho, among which the most serious are the poor quality of soils with which the Lesotho farmer has to work, a lack of appropriate technology, and the weather - particularly the erratic rainfall. Adding to these problems are the ancillary problems of fuel, transportation, management deficiencies at all levels, insects, storage difficulties, etc. etc.

Up to the present time, finding other products of a higher value which might be grown and exchanged for cereals has not been too successful, although asparagus seems to offer a possibility of being able to produce a crop having a definite economic advantage for Lesotho. There may be other crops offering similar advantages such as some of the herbs, the medicinal plants, the oil seeds, some nut trees from the desert areas, some fruits, desert melons, etc.

Other tactics which might be used on a broader scale than they are now are irrigation - particularly supplemental irrigation, the use of short season crops which might allow the production of two crops per year on the same land, companion or intercropping and expansion of the land area by bench terracing or land conservation techniques.

Recommendations

We agree with the Evaluation Mission that the best course is to push

ahead with the research, extension, production and other plans and projects and boost internal production as much as possible using economic and soil conservation techniques because we tend to agree with the DASPA report that increased production should be possible. At the same time, efforts to find new crops and techniques should proceed as fast as possible, irrigation and more intensive cropping should be practiced, and ways of adding value to possible exports should be studied.

It should be recognized that Lesotho's soils are sadly depleted and abused and that miraculous results are not to be achieved in one year by just dumping on fertilizer. Improvements will come over time by using good technology in addition to fertilizer and organic matter. Only then will it be economic for the farmers to improve their land so as to double and triple yields.

We do not believe that the chances of increasing are as limited as indicated in either the IFRD sector study or the Evaluation Mission Report and that farmers can improve production when it becomes worthwhile for them to do so. This means that they must have a better title to their land, inputs and markets at fair prices must be readily available, but most important, improved technology must be developed for them to use to achieve greater production.

USAID DISCUSSION PAPER TR-6

The current agricultural marketing system with respect to farm supplies and farm products as well as policies adopted in recent years; the soundness of new policies now being formulated.

Discussion

Lesotho more than perhaps any other country in the world cannot control prices within its own borders because of its proximity to South Africa and has no way of controlling either exports or imports. As a result, it cannot raise prices in its own markets because of flooding from across the border. Neither can it reduce prices without running the risk that commodities will move in the other direction.

Efforts have been made in the past to control this situation by means of subsidies, formation of Parastatal organizations such as the Produce Marketing Corporation (PMC) and the Livestock Marketing Corporation (LPMC), government departments assuming the function such as the Livestock Products Marketing Service and by forming cooperatives. Practically all of these efforts have failed because of lack of funds, trying to operate on very narrow margins, irresponsibility of employees, mismanagement, etc. so that now, the general opinion is that marketing was much better when the private sector did it all.

Now, the GOL proposes to link the PMC and Lesotho Co-Op in an effort to handle all phases of agricultural marketing by that route except for livestock and livestock products.

Recommendations

Farmers with grain, livestock, etc. to sell, view the days when private traders performed the marketing function "as the good ole days". We are convinced that as long as quantities moving in the market are relatively small, and as long as individual sales by or to farmers are likewise small, then the small trader can handle the volume much more efficiently than can government organizations. The problem then becomes one of enforcing anti-smuggling, anti-hoarding and other laws and regulations designed to keep people relatively honest, supplying the supporting services needed by the traders and

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maintaining prices at a reasonable level.

We encourage the GOL to continue searching for a method of regularizing the marketing of agricultural products and inputs through the assistance of cooperatives and perhaps the parastatals, but we urge that to make use of the private sector as the principal actor in the marketing sector.

USAID DISCUSSION PAPER TR-7

The role the co-operative movement has played and could play in agricultural and rural development; the stated objective of the Ministry of Agriculture to promote village-based producer and other co-operatives and methods of effective implementation; and the likely efficiency of co-operatives in comparison with alternative market structures taking account of experiences in other countries.

Discussion

Co-operatives have been a part of the rural scene in Lesotho, but they have not been successful for the most part. Reasons for being unsuccessful include: 1) lack of member education and dedication, 2) competition from the parastatal corporations, 3) uneven support from the government, 4) too many tasks given to accomplish in too short a time, 5) unreasonably small margins, and 6) prices controlled by government at levels not sustained in the marketplace, etc.

The co-operatives have suffered particularly from having to make a profit in competition with both the private sector and government while not having adequate control over either its prices or its membership.

The latest move to combine PMC and Co-Op Lesotho appears to be a step towards trying to solve part of the problem, but it doesn't resolve many of the other problems facing co-operatives.

Recommendations

USAID supports the co-operative process and hopes that the GOL will continue to try to find a co-operative formula that will work in Lesotho. We recommend that further research be done on the co-operatives in an effort to find a pattern that will work at a reasonable cost. However, the GOL should continue to encourage and support the private sector in such activities as marketing, supply of inputs, performance of custom plowing, planting and harvesting, etc. so that farmers will have such services available until effective co-ops are established.

The government should also recognize that marketing and supply costs will not go down when co-operatives becomes fully operative. In fact, these costs will probably rise because of the extra functions co-ops will perform and the small size of the average transaction when it is expected to serve small farmers.

It should be remembered that:

1. Cooperatives generally have not been successful until the private sector has developed techniques to accomplish the designated tasks and then are replaced by the farmers setting up their own organization to accomplish the job with the profit accruing to themselves; and
2. a tremendous amount of training is required for the management, business and accounting employees and the membership of new cooperatives. The recent experience of the GOL with the introduction of the Credit Unions will bear out the truth of the above statement. It appears that they are successfully replacing the money lenders and they have been trained to operate the Unions themselves.

USAID DISCUSSION PAPER TR-8

The present land tenure system and the extent to which the Land Act of 1979 may remove some of the constraints to agricultural development; the Government's program for implementing the new Land Act.

Discussion

The Land Act of 1979 is supposed to remove or at least diminish many of the constraints now perceived as inhibiting agricultural production. It would grant farmers exclusive use of land and stimulate investment in conservation, establishment of pasture areas and production of forage crops, improve fertility, promote animal feeding, etc. Over time, it probably will do all of these things, but in the short run, many problems will arise to slow down implementation and enforcement. Many of these problems will be caused by the loss of rights of animal owners who are accustomed to pasturing their animals on cropped fields and in those parts of the village used for communal purposes which soon will be under individual farmer control. Other problems will arise because of the farmer having land which he has not farmed before, a lack of knowledge on the part of the farmer as to how to farm better, the lack of resources needed to make the required changes in his farming system, and how and where he should invest when he has greater rights to his land. A great amount of Agricultural credit will be needed to support the whole effort and the Government will have to be ready to move quickly to supply the inputs the farmers require in order to move into the modern agricultural sector. Failure to provide these supplies and services as soon as needed will quickly discourage the agriculturalists, and much of the value of the new program will be lost.

Recommendations

USAID applauds the decision of the government to vest more rights to land in its farmers as a means of encouraging improved land management and increased production. It is concerned, however, as was the Evaluation Team, by the implication that poor farmers and those who do not "show interest" could be dispossessed and their present holdings given to those having more interest

and better farming capabilities based on their past performance. It might, as suggested in the report, be advantageous to allow all present landholders to make application for land, and in the lease it could be spelled out in detail just what standards the farmer has to meet in order to hold this valuable national resource.

As the new allocations and leases are made, the government has the opportunity to consolidate landholdings and to make other structural changes in consonance with modern technology such as provision for roads to accommodate vehicles and machinery, shaping of fields to meet soil conservation requirements, establishment of market areas, and communal facilities such as water, threshing floors, storage areas, schools, etc. In other words, we believe that the adoption of the land law opens the door to modernization of the rural communities.

USAID also urges that, now that the farmers will have increased rights to their land and an incentive to make investments in their farm enterprises, the GOL consider the imposition of taxes on farms to generate funds for local improvements and administration. We are not prepared to comment on the tax rates proposed by the Evaluation Mission, but believe that the need for establishing a tax base to meet local needs is urgent.

USAID feels that the imposition of land reform by an independent nation is the business of that nation and its people and we do not want to become involved in the implementation process in any way. However, we see a need for many trained people to implement this program and would be willing to help with the training effort.

Engineering/surveying, economics, rural sociology, anthropology and other training needed for this program should be provided immediately to the staff charged with the responsibility for conducting it. All levels of government should be alert to detect problems affecting the land reform program and correct them immediately as they are identified.

USAID DISCUSSION PAPER TR-9

The problems of communal grazing and livestock overstocking and ways and means to overcome or alleviate these problems.

Discussion

Gullies, bare hillsides, rock outcrops over large areas, muddy streams, etc. are evidence that the land has had most of the vegetation removed by animals and the presence of thin and starving livestock, even in Maseru, indicates that there is not enough feed available to keep them productive. In fact, some agricultural officers believe that the situation is such this year that more land than usual will be left fallow because of the weak oxen.

This situation is caused by range stocking at a rate of about one livestock unit to 2-3 hectares instead of one LSU per 7 hectares and productivity of draft animals is so low that 4 or 6 animals are commonly used to do the work of two.

Besides the effect of overgrazing on the pasture lands and the animals, the effect of this range mismanagement is being felt in all segments of Lesotho life. Wells and springs that once were all season sources of water are becoming intermittent, good farm land is being eroded, reservoirs and ponds are silting up, and the land, the country's major resource, is decreasing in productivity.

Recommendations

USAID believes that the imposition of the Land Act of 1979 and the Range Management and Grazing Control Regulations of 1980 will provide an incentive for range and pasture improvement and should help to reduce animal numbers. We agree with the Evaluation Mission that taxing imported animals for other than immediate slaughter should be done, and even those animals should be taxed if an effort is to be made to raise animal prices as an incentive to farmers and herders to sell part of their herds and to raise more productive animals.

USAID and most farmers regret the passing of the itinerant livestock trader who traveled through the hills buying and selling stock. They provided a useful function by taking one or two animals from the hill pastures to the meat market or to another farmer needing draft animals. They also bought thin animals and took them to the herders in the hills to fatten and resell. Since government became involved, the marketing services available to farmers have decreased and herders cannot afford to spend time moving their animals to the butcher's block or to search for buyers for one or two potential draft animals he has in his herd so, the farmers say, their herds are building up more than ever before.

We recommend that the Range Management and Grazing Control Regulations be promulgated immediately and a permit system be started on the managed pasture areas. An educational program should be started which will inform all farmers of the provisions of this act, as well as of the Land Reform Act of 1979, and of any possible taxes to be imposed.

In order to assure a market for the cull animals and those otherwise ready for butchering, the private sector should be stimulated to enter the rural areas to purchase animals for slaughter and/or processing and for draft.

Finally, the penalties suggested in the Act appear to be less than the cost of maintaining an animal on good pasture so that it might be advantageous for the herder to turn his animals into the restricted pasture areas and to pay the fine rather than to provide feed himself. It might be best to increase the fines for breaking the rules to three or four times the recommended rates, at least after the first infringement of their provisions.

USAID DISCUSSION PAPER TR-10

The Government's objective of decentralizing the decision-making process in order to involve farmers to a greater extent in development, as well as to contribute to integrated rural development planning and implementation as suggested by the 1979 Farmers' Conference where farmers had an opportunity to express their views with respect to Government agricultural policies.

Discussion

The traditional patterns of tribal-local-government were abolished and Local Administration Act 1969 was passed to provide administration for the rural areas. Under this system, officials were appointed to work with the Chiefs and a number of largely ad hoc committees in the administration of the rural areas. As time has passed, the local Chiefs have gradually lost their power and more authority and responsibility have rested with the Central Government.

The Government's new Decentralization of Decision-Making action is designed to involve the rural people in their own development and to increase their self reliance and their own support. The system has been tried in Thaba Tseka with apparent success and is to be duplicated in other areas. However, the Thaba Tseka project has been very expensive in terms of time invested in it by very senior government officials. The suggestion has now been made that the Central Coordinating Committee be replaced in each district with a District Planning Team made up of representatives of the ministries at the district level and members of Parliament from the district.

Recommendations

USAID favors decentralization and urges the GOL to go ahead with the plan as suitable procedures are developed.

One of the things that made the Thaba Tseka program work was the fact that constraints were acted upon immediately as they were identified by the Central Coordinating Committee and their actions had the whole force of the government behind them. Such would not be the case with a district level

committee unless it was given the authority and power over funding, personnel working conditions, etc. The District Coordinating Committees should be made up of district officers, members of Parliament and citizens, and it should have access to government at a level to get immediate attention and resolution of their problems. The continuation of the Central Coordinating Committee as now constituted to fill this function is suggested. It is also recommended that the GOL proceed as rapidly as prudently possible in organizing itself to do this important job with donors providing training and administrative help as needed.

USAID DISCUSSION PAPER TR-11

The Government's investment program in agriculture during the Second and Third Five-Year Plan including sectoral allocations between agriculture and other sectors with reference to the priority accorded to such areas as livestock vs. crops, irrigated farming vs. dryland farming, labor-intensive vs. mechanized farming, crop patterns, etc.

Discussion

The planned investment in agriculture will be greater the next five years than during the Second Plan Period, although it will constitute a smaller part of the total plan than previously. It is also true that agriculture was not able to use all of the money available to it during the Second Plan Period.

The Evaluation Mission points out that the plan itself does not indicate the relative priority the government gives to the various sub-sectors of agriculture although in private conversations, they do say that high priorities are to be given to conservation and marketing. Other sub-sectors would follow when the conservation and marketing infrastructure are in place.

From observation, it may be presumed that the Ministry is moving from large area based projects to a program approach, but as yet there are no well defined goals and objectives.

There is also an apparent shift towards the highlands and livestock to be supported by conservation and marketing activities; labor intensive works are to be supported although mechanization will be used in power and labor short areas; but very little is shown in the plan for irrigation and water conservation and use.

A large factor in the development of Lesotho's agriculture was the residual left over from the Second Plan Period. The project pipeline is huge and certainly influences the government in its decision-making process and blurs the outlines of new policies the government has decided on for the Third Plan Period to the point that goals and objectives are almost unidentifiable.

Recommendations

USAID continues to recommend that first priority be given to improving the government's ability to manage the development of agriculture. Until this is done, investment in the agricultural sector will be slow to come from both the farmers and the donors and that which is made will not be very effective.

Toward this end, AID is happy to see the shift from the large area based projects toward a program approach and will be happy to further it every way it can.

If we were asked to suggest a "short list" of priorities for Agriculture, it would certainly make provision for the following:

A. Management Improvement

1. Manpower Development
2. Planning
3. Administration

B. Land and Water Improvement

1. Conservation
2. Infrastructure - roads, markets, water supply, etc.
3. Irrigation

C. Agricultural Infrastructure

1. Marketing & Supply - crops, credit, livestock, co-operatives
2. Research - crops, new products, new crops, livestock, processing
3. Extension - crops, livestock
4. Land Reform - rangeland, arable land
5. Local Participation - decision-making, implementation

While the above are not prioritized all the way through, we certainly believe that the items covered by the term management stand above all the rest.

Lesotho is in a unique position to make changes fairly rapidly in view of its decisions to: 1) decentralize decision-making, 2) promulgate the Land Act of 1979, 3) enforce the Range Management and Grazing Control Regulations, and 4) change to a program of Agricultural Development instead of the area development projects engaged in during the last plan period. This allows the Government to focus on the real constraints of development, and to make changes as

Recommendations

USAID continues to recommend that first priority be given to improving the government's ability to manage the development of agriculture. Until this is done, investment in the agricultural sector will be slow to come from both the farmers and the donors and that which is made will not be very effective.

Toward this end, AID is happy to see the shift from the large area based projects toward a program approach and will be happy to further it every way it can.

If we were asked to suggest a "short list" of priorities for Agriculture, it would certainly make provision for the following:

A. Management Improvement

1. Manpower Development
2. Planning
3. Administration

B. Land and Water Improvement

1. Conservation
2. Infrastructure - roads, markets, water supply, etc.
3. Irrigation

C. Agricultural Infrastructure

1. Marketing, & Supply - crops, credit, livestock, co-operatives
2. Research - crops, new products, new crops, livestock, processing
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4. Land Reform - rangeland, arable land
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needed. We believe that lessons have been learned from the area based projects in Lesotho, as well as from those in other countries, and it is now time to apply these lessons to the problems of this country.

It is recommended that the GOL work to solve its institutional structure and management problems at all levels of government, and build the manpower base to get the development job done. In these days of shrinking resources, the nation cannot afford delays which waste time; manpower as well as money and improved management will help get things moving.

Investment in the reorganization of Research is needed to coordinate and expedite investigations into the problems facing agriculture so that farmers can be helped when making production and marketing decisions. Finding new solutions to old problems such as varieties that are superior on poor soils and are resistant to diseases, insects and environmental stresses, testing new crops for adaptability to Lesotho, developing new products, improving the soil and water base, adapting new techniques to Lesotho's conditions and discovering the incentives needed to persuade the farm family to practice modern agriculture are essential. Then, the research system must be linked up with the Extension service to provide the best available information to the farmers and a feedback to the research workers.

USAID POSITION PAPER TR-12

Suggestions to donors and to Lesotho Government Officials concerning needed adjustments in project content, investment priorities, phasing, and coordination and in full integration of donor sponsored activities into the rural economy.

Discussion

Massive pipelines are said to dictate programs of following years and it is complained that projects are slow to be planned and implemented. Delays make projects drag on much longer than they should.

Technicians complain of lack of access to decision-makers; on the failure to get decisions needed for further action; on the lack of competent people as counterparts, etc.

The result of these and other problems is that delays occur which, added to an already cumbersome time consuming process of project planning, approval, implementation and evaluation, causes a normal five-year project to take two years and over to move from inspiration to implementation (even when there is agreement on the project's content). When implementation starts, there are other decisions to be made, conditions, precedent to be met, caveats to be agreed upon, mistakes to be corrected, etc., and if decision makers are not present, the project is held up until someone can speak for one government or the other. The same problems arise during project evaluations and during discussions of possible follow-on activities.

All such delays mean enlarged pipelines, long drawn out planning and implementation periods and frustration at all stages of development.

Recommendations

USAID admits that it has been guilty of some of these charges and is trying to reduce this time by decentralizing more of the decision-making power to the field, and by sending teams out to help with all phases of project development or evaluation. Washington has also reduced the time required for review so that now we hope to be able to speed things up considerably.

On the Lesotho side, we urge that senior officers delegate the authority and responsibility for much of their decision-making and control to their subordinate officers and for those decisions which cannot normally be delegated, to authorize someone to act for them in their absence.

On our side, we are committed to improve and extend the U.S. capability to handle issues and to help the GOL solve problems and develop their agriculture.

We recommend that donors and the GOL examine project development and implementation procedures and revise them so that projects and programs can be conducted as planned.

USAID DISCUSSION PAPER - EMPLOYMENT

How can Lesotho support and provide work for a population of almost 1.5 million people in 1985 and 2.1 million people in 2000.

Discussion

The prospects for Lesotho being able to offer gainful employment to its people between 1980 and the year 2000 do not look good. At that time, according to the Evaluation Mission Report, there is a potential for 943,600 persons to be in the labor force in Lesotho compared to an estimated 380,000 now employed in farming, livestock production and the modern sector. If South Africa stops employing migrants in order to provide employment for its own people, it is estimated that about 460,000 people, or almost half of Lesotho's labor force in the year 2000, would be without work. The Evaluation Mission found that even if employment in South Africa decreased at a rate of only about 1.5% per year, there would be over 100,000 unemployed Basotho in the year 1985, and over 300,000 in 2000.

Employment in Lesotho has not increased as rapidly as might have been expected over the past few years for several reasons. In agriculture, the land tenure system, the risk associated with agricultural investment, the low productivity of the agricultural environment, the shrinking land base and the inferior management and level of technology available to agriculture encourages the migration of thousands of farmers and farm laborers to the mines and other employment in South Africa.

The modern sector has grown very slowly because of a lack of internal resources, an untrained labor force, and competition from South Africa while population has increased at a rate of about 2.27 percent per year. As a result, in 1980 there are over 1,300,000 people in Lesotho of whom about 611,000 are between 15 and 65 years of age - the work force. Of these, only about 40,000 are employed in the modern sector - industry, commerce, public utilities, government, etc. While perhaps 340,000 make their living in agriculture and handicrafts, about 200,000 find employment in neighboring countries, and about 31,000 are unemployed or at least vastly underemployed.

We agree with the Evaluation Mission that the population-employment picture is a dismal one and that it may be impossible to completely rectify.

There are avenues the GOL could pursue which would take thousands off the labor market, however, they are all very expensive but have to be considered as possible avenues of approach.

A. Compulsory Education. We and others have complained bitterly about the lack of educated and well trained Basotho to work on our projects. If we translate "educated and well trained" into years of education and years of special training for all people entering the labor force, we could deduct thousands from those seeking employment and provide employment for thousands more.

- Assume: - compulsory education for all up through age 17;  
- free or cheap university, trade or vocational school training to age 22;  
- 30% of eligible students would stay in school through the university.

If enforced now, about 77,700 students ages 15 through 17 would be in school and out of the labor market. So would 36,000 students in the higher training institutions.

In 1985, 43,800 boys and 44,000 girls between the ages of 15 and 18 would be in secondary and high school, and 19,400 men and 19,600 women would be in colleges, trade schools, vocational schools, etc. This would be almost 127,000 people removed from the labor market who otherwise would be competing for non-existent jobs.

By the year 2000, a compulsory/free educational program as described above would keep up to 200,000 people off the labor market annually.

There would be side effects of this program which would affect the labor market. For example, the boys now serving as herders would have to be replaced by perhaps one-third as many adult sheperds; schools would have to be built requiring more labor, teachers, etc. (The program might persuade many farmers to rid themselves of some of their surplus cattle.) This kind of program would provide skilled people needed in government, the tourist industry, manufacturing, commerce, handicrafts, agriculture, transportation, etc. to fill new jobs and the jobs now done by expatriates, and would make the Basotho more "salable" as possible employees in other countries and to new enterprises in-country. It would also help to remove many of the con-

straints to increased employment listed in the Evaluation Mission Report, the ILOWASPA Report, and the World Bank Report.

B. Training in Other Countries. In the late 60's and early 70's, hundreds of Turks left their homeland for Germany, Italy, France and elsewhere in Europe to work in factories, ships, hotels, restaurants, and so on. When they returned, they came back fully equipped with skills needed in Turkey.

Granted that conditions are different in Lesotho, but could Lesotho request the labor users of South Africa to train the Basotho to the point that they are skilled or at least semi-skilled workers. They could also be made literate and taught some mathematical skills. This would prepare these people for re-employment on their return and would help replace some of the expatriates now in-country, as well as some of the skilled workers who have migrated permanently.

C. New industries. When facing this same situation, many other countries have made contacts with other nations or have developed new industries which have made use of advanced technology to supply services on almost a cottage basis at first, later growing into large factories. Examples are radios and other electronic components in the villages of Japan, watches and other fine instruments in Switzerland, athletic equipment and medical instruments in Pakistan, inexpensive clothes and shoes in Taiwan, etc.

Can Lesotho find high volume items that could be made better here because of some characteristic of the people, the country or the climate?

D. Use of the land. The Evaluation Mission Report raises the possibility of bench terracing some of the hillier areas as a means of literally creating new land for farming. Similarly, the possibility exists that some of the marginal lands that once were farmed but are now reverting to pasture could be salvaged and rebuilt to become useful farmland again. Individual farm families could take on this job in an effort to increase their own agricultural base and improve their standards of living. Diversification and intensification of cropping is possible, but generally demands a greater investment in labour, power (animal), tools, fertilizers, etc. and a higher level of technology to maintain the land and increased crop yields. This would promote increased employment as well as an expanded food supply.

E. Industries, Trade. Agro industry may offer opportunities for the

creation of employment, especially in the processing of specialty foods. There also seems to be room for the manufacture of small tools, flour mills, and other items for which there is considerable demand in-country.

F. Cost. It will be argued that these ideas are all very expensive to implement. They are, but it is also very expensive to have people unemployed. Relief costs, the expanded police and military required to control idle populations and even the cost of creating new jobs is very high. And the easy and short-term solutions often have hidden costs in them, unless in some way they contribute to greater production. Otherwise, massive rural works and other infrastructure projects employing thousands of people can create and feed inflation, thus raising the costs for everyone unless they are focused on activities which will in some way increase production or cut the costs of production.

#### Recommendations

It is recommended that the GOL consider all possible ways of reducing the portion of the labor force which is unemployed or underemployed. To actually do the job will likely require new approaches to the problem that will have to be approached slowly and thoughtfully, and give the best economic return to the country.

THE DONORS CONFERENCE

The conference was held as scheduled October 20 to 24, 1980 at the Hilton Hotel in Maseru, Lesotho. However, the agenda as presented to the Donors four weeks before the conference, was changed so that instead of the presentations being made around the Terms of Reference (TR) used by the Multi-Donor Agricultural Sector Evaluation Mission, the Acting Minister of Agriculture in his opening speech outlined four areas of concern of the GOL which, he hoped, would serve as the focal point for discussions the next three days. These areas of concern, as listed in the Minister's speech were:

- a. The landbase condition, conservation and tenure system,
- b. The human resource,
- c. Production and marketing, including co-operatives and the village based management of resources, and
- d. Investment and programming."

He also hoped that out of our "... deliberations will emerge a blueprint that we, jointly, can use in our efforts to strengthen not only in the agricultural sector of Lesotho, but also in its economic and social development."

The decision was made by the UNDP senior officer that the workshop pattern would not be followed, but that all sessions would include all delegates, the higher officials of the GOL, and the technical staff appropriate to the discussion being conducted at the time (see List of Basotho Workshop participants). It was also decided that the Terms of Reference items would be discussed under the 4 areas of concern expressed by the Minister as follows: a) Landbase - TR 8 and 9; b) Human Resources - TR 2, 3 and 10; c) Production and Marketing - TR 4, 5, 6 and 7; and d) Investment - TR 11 and 12. Since TR-1 referred to the history of agricultural development in Lesotho, it was considered as a part of all sessions.

Each area of concern was first discussed by a representative of the Evaluation Mission, usually followed by one or more technical officers of the MOA who explained the Government's position in relation to the appropriate TRs. Then a general discussion was held on each TR in rela-

tion to the area of concern with a Senior Officer of the GOL taking part in the discussions.

The technical officers responded to questions only. At the close of each day's meetings, the Donors held a closed session at which time a list of questions was prepared to be answered by the GOL. Besides the opening and closing ceremonies, the Acting Minister of Agriculture was present three times and the Minister of Finance was present twice to answer these questions and to take part in the discussion. The Prime Minister answered questions presented by a delegation once.

The questions were generally quite candid and the answers were equally so, but the Government seemed to be reluctant to commit itself to any particular course of action throughout most of the conference.

On the third evening of the conference, a committee of Donors of which the USAID delegation was a member, was named to develop a list of findings of the conference and to prepare final lists of questions covering the discussion of all the TRs and the concerns expressed by the Minister the first day of the meetings. The Minister of Finance and the Acting Minister of Agriculture both attended the Thursday morning question and answer period and both attended the final session Friday morning.

On Thursday morning, the GOL distributed a list of ongoing projects, their expected funding, and the names of the donors involved in each project. It also presented a list, by title only, of new projects and a list of "Lesotho Government Priorities".

The conference considered the lists of projects and priorities to be lacking in detail and asked that they be revised and resubmitted without an estimate of cost to the donors. These lists had not yet been submitted to USAID by October 28, 1980.

On Friday, the findings of the conference were presented to the GOL by the senior UNDP representative and 10 donors, including the United States, made closing statements. These were followed by the Finance Minister, who, in his closing remarks, unequivocally announced that the Government of Lesotho agreed with the findings of the conference and the solutions that had been suggested and would work with the donors to strengthen the nation's

capability to plan and conduct an agricultural development program designed to improve the performance of Lesotho's agricultural sector.

While the conference had started off very slowly with the first day leaving most participants disappointed, the following days were much better and most delegates and representatives of the GOL thought considerable progress had been made.

Repeated mention was made of the ongoing Farming Systems Research Project and the Soil Conservation Project and the upcoming Planning Project. Repeated mention was also made of the recently terminated LASA Project and the contribution it had made to the knowledge of agriculture in Lesotho.

In considering the report of the Evaluation Mission, the most important constraints to agricultural development were viewed as those associated with the land tenure pattern of Lesotho as it affects both land management and livestock husbandry. The second most important constraint was the inability of the Ministry of Agriculture to manage development because of structural difficulties and the people to make decisions. The third was viewed as the manpower situation as influenced by lack of training and shortage of managers and skilled technicians. The fourth factor was the fact that research was not coordinated within the Ministry so that some of the research was ineffective and irrelevant and research and extension were not linked to provide good farmer training or feedback from the farmers to the researchers.

The GOL replied that they have just recently passed the Land Act 1979 and have issued a number of regulations concerning grazing, land ownership, forestry, etc. so that many of the problems concerning land were alleviated. In response, it was pointed out that if the government followed the provisions of the Land Act, the better farmers would soon have a disproportionate share of the farm land resulting perhaps in more production, but at the same time, creating large problems of equity.

The Government's response was that they did not intend to take land from anyone now holding it, but that it would encourage the old people, the

widows, injured miners, and others who now hold land but cannot farm it, to rent or lease it to the better farmers so that production and their own incomes would increase.

All of the recommendations of the Evaluation Mission were approved by the Conference although the GOL had reservations about some of them. It did not agree fully to the following:

1. Para. 14.6, Pg.8 because it believed that much had been learned from the CCPP and wanted to continue it for its research value.
2. Para. 14.3, Pg.7. The GOL would prefer to raise salaries and improve working conditions so that its officers would stay in the Ministry.
3. Para 23, Pg.11. They would prefer that the Apex Marketing Co-op prove itself before taking the marketing job for the livestock sector.
4. Para. 31.5, Pg. 14. The Government believes the actions it has already taken regarding land, forestry and grazing will reduce livestock numbers so that withholding support would not be useful.
5. Para 26, Pg. 36. The GOL says it cannot provide production targets because of its poor statistical base. It hopes to be able to provide baseline data during the next 3 to 5 years.
6. Para. 18, Pg. 62. The GOL reluctantly agreed to drop for the time being the idea of self-sufficiency in food grains, but will still make every effort to increase production.
7. Para. 19, Pg.77. The GOL wants to continue cooperative crop production (collective farming) on a limited scale, but agrees to study it very carefully before proceeding with the idea too rapidly.

SUMMARY OF THE U.S. POSITION

As pointed out immediately above, the conference accepted the recommendations made by the Evaluation Mission without too much argument. And while most of the donors agreed with the recommendations as made by the Mission, the U.S. Delegation took an active part on the floor in pushing for restructuring of the Ministry of Agriculture, strengthening the manpower resources available for promoting agricultural production, and centralized and coordinated research and extension programs.

In the discussion of these items, the U.S. Delegation urged that project decision making be delegated to a lower level than the Permanent Secretary in most cases and that when decisions must be made at this high level, the Secretary delegate the authority and responsibility for making such decisions when he is absent. It was pointed out that it takes two and three years to move a project from the inspiration stage to implementation and even during implementation, decisions were delayed for months sometimes, thus holding up progress.

When considering the manpower needs of the Ministry of Agriculture and its ancillary organizations, the U.S. Delegation said that the following factors need to be considered.

1. An analysis should be made of the Ministry's management needs to determine what kind of people are needed and how many.
2. Training for all levels of technicians and supervisors is needed to assure top level performance today and superior management a few years from now.
3. Extra special care needs to be exercised in allocating Lesotho's scarcest resource - manpower, and every effort must be made to upgrade the available supply and to use it productively and efficiently.
4. Permanency of tenure is essential for personnel advancement. Continuous shifting from one position to another in rapid succession creates confusion and mismanagement.
5. Decentralization of decision-making and management is recommended

for all parts of the Ministry except research. Lesotho's research now suffers from too much decentralization so that while many projects and agencies are doing agricultural research, no one is coordinating it to maintain excellence, to assure relevance to farmers' problems, to make sure that the results are getting out to the extension service and to the farmers and to guard against serious gaps in the knowledge base. The U.S. Delegation presented the case for developing a unified research system and for the development of complete technical packages that can be introduced by the extension service.

To be effective, not only must the researchers work more closely together, but the research and extension officers must work together to identify the farmers' problems and to solve them.

The U.S. Delegation was concerned about many other points raised during the conference, but limited itself to discussing them with individuals during conference breaks in the evening. At the conclusion of the conference, the U.S. contingent was relatively well pleased at the conference results. It would have liked to see a little more evidence of commitment on the part of the Government and more evidence of a resolution to change its methods of administration and management. However, it was very pleased by the closing statement of the Minister of Finance and the setting of priorities for the development of Agriculture. These may be early signs of changes to come, and if followed out, will make a real difference in Lesotho's agriculture and the living standards of its rural people.

THE AGRICULTURE OF LESOTHO

In retrospect, the Donor Conference for Agriculture has been an interesting experience and one that might bear repeating in other developing countries. However, such a conference calls for a degree of maturity and candor that is sometimes absent, both in donors and hosts. The conference already has been useful in causing decisions to be made and will be more useful yet if the donors and the Government of Lesotho can remember what actions each has agreed to take and if they encourage each other to make the necessary changes in administration and management to benefit the agricultural sector.

During the preparations for the conference, during the conference and since its successful completion, several thoughts and ideas have been mentioned that might be useful to consider occasionally during the next few years.

1. New Crops - AID has a project through the USDA by means of which experimental quantities of seeds, tubers, roots, plant stock, budwood, etc. of new (or old) crops can be secured free of charge. Requests should be addressed to the Agriculture Office, Development Support Bureau, AID/W. Such an activity might be very effective for increasing employment and incomes, especially in regard to arid land fruits, nuts, herbs, spices, medicinal plants, etc.
2. Grain Storage - Many farmers spoke of not being able to store more than an eight to ten month food supply because of insects, molds, etc. AID has a contract with Kansas State University to supply help on on-farm storage problems. Consultants are available for up to a month free of charge. The source is the Office of Agriculture, DSB/AID/W. This might help the farmers move from a less than subsistence level to the market economy.
3. Seed - The above comment also was made about seed - that they couldn't keep it and couldn't buy it (on time) from the Co-Op. The Office of Agriculture has a contract with Mississippi State that can help solve the problem. Same terms as "2" above. If FAO goes ahead with a seed project, the services of Mississippi

- State University could be made available for planning the project.
4. Fertilizer, Livestock, etc. - The Office of Agriculture has arrangements with TVA, the USDA, and a number of other agencies for help on specific items under the same terms as above. They do not have to work on U.S. projects. They can help most other agencies and are available for work on self-financed country projects.
  5. Recurrent Costs - The GOL expressed concern several times about the size of their bill for recurrent costs of ongoing projects. At the same time, they are talking of employing hundreds of new extension agents to expand service from about one man per 600 farm families to one man per 200 families. It should be remembered that two factors are involved here. (1) Production to pay for the extra employees will have to come from the land, but (2) decisions leading to the use of the land are made by people. It may be a better course of action to do some research on how to reach more farmers with fewer people. One extension generalist per 300 to 400 hectares is a very heavy concentration of effort, especially when research is not yet developing technology for the extension people to put out to the farmers.
  6. Oil seeds - There are several oil seeds adapted to dry land or desert agriculture which ought to be tried here. Rape (mustard) and some of the oil crops grown in the rain fed (12 inches of rain per year) areas of Pakistan and Iran might work here. Sunflowers have reportedly been successful except no provision had been made for marketing.
  7. Mohair and Wool - Even though the price of Mohair has risen rapidly, production has decreased drastically in Lesotho. Improved facilities for disease control, shearing, washing and processing are needed for upgrading it for foreign markets.
  8. Livestock Products - Reduced numbers of animals on the ranges and lowland pastures would certainly improve the quality and quantity of useable meat and reduce the number of animals required to pull

simple plows, planters, drags and carts. Harvesting of some of the grasslands by means other than grazing would increase both the quality and quantity of forage harvested from these areas. This would be a very useful technique to use in harvesting the feed growing on the sides of terraces, the grassed waterways, etc.

9. Fertilizer - If it is true that Lesotho may soon have a surplus of electricity at low prices, it may want to consider the possibility of manufacturing nitrogenous fertilizers for domestic consumption. TVA has done several feasibility surveys on the process and would be able to advise the GOL on its practicality. Antioch University has also done research on small plants with a capacity of 1 ton to 25 tons of N per day using run-of-the-stream hydroelectric power for use in isolated areas.
10. Agricultural Production - I tend to be much more optimistic about the potential for increasing production in Lesotho than do many of the people attending the Donors Conference. Every village has a farmer or two who get higher yields and they do it without excessive amounts of high priced inputs. When land has been depleted and abused to the extent it has been here, it will not respond immediately to improved management. It requires three to five years to incorporate organic matter, restore the bacterial content, establish an improved water holding capacity and sub-surface natural drainage, etc. so that the new varieties can respond to modern techniques. Some of the international centers are beginning research on low-input agriculture and are finding varieties of maize which will produce well on soils of low productivity and high acidity. Research is starting on other crops and on alternatives to some of the commonly grown crops such as triticale in place of wheat, etc. Some of the very old techniques such as growing a crop for its soil improving qualities alone may be very useful.

In any case, both at home and abroad, I have seen many soils which the experts said would never produce anything. Today they are producing better than average yields. I think the soils of

Lesotho will respond in the same way. Of course, the risk will be greater here than in some other places because of the erratic rainfall, but the farmers will be able to get good crops in most years and farming will become a respectable occupation paying a reasonable return on a farmer's investment in capital and labor on his land.

ANNEX I

LIST OF DELEGATES FOR AGRICULTURAL DONOR CONFERENCE

20 - 24TH OCTOBER 1980

COUNTRY	DELEGATE	TITLE	MAILING ADDRESS
1. Canada	Mr. W. Redekop	Agricultural Adviser, CIDA	200 Promenade, Du Portage Hull PQ Canada
	Mr. S. Gibbons	Senior Planning Officer CIDA	86 Glenview Ave, Ottawa, Ontario Canada
	Ms Carolyn McMaster	Second Secretary (Development)	P.O. Box 26006, Pretoria
F.R.G.	Dr. F. Winch	German Agency for Technical Co-operation	P.O. Box 24, Maseru, Lesotho
	Mr. H.R. Wiegand	Acting Ambassador	German Embassy, Maseru 100.
	Dr. D echsler	German Agency for Technical Co-operation	D-6236 Eschborn 1 bei Frankfurt/ Main Dag-Hammarskjold-Weg 1 Postfach 5180.
Ireland	Mr. John Gridle	Economist	Department of Foreign Affairs, 80 St. Stephen's Green, Dublin, Ireland
	Mr. J.F. Cogan	Counsellor	Department of Foreign Affairs, 72 - 76 St. Stephen's Green, Dublin 2, Ireland
	Mr. Martin Greene	Irish Consulate	P/Bag Maseru 100, Lesotho

ANNEX I

COUNTRY	DELEGATE	TITLE	MAILING ADDRESS
Nigeria	Mrs. R.T. Mohammed	Nigerian High Commissioner Botswana and Lesotho	P.O. Box 274, Gaborone, Botswana
ROC	H.E. Mr. Ping-Nan Chang	Ambassador	P.O. Box 428, Maseru 100, Lesotho
	Mr. C.T. Yang	Second Secretary	Do
	Mr. C.C. Su	Chief of the Chinese Agricultural Mission	P.O. Box 789, Maseru 100, Lesotho
	Mr. Y.S. Lin	Senior Agricultural Specialist	Do
Sweden	Mr. S. Rylander	Counsellor for Development co-operation, SIDA(Botswana-Lesotho)	Boipuso Close Plot 845/46 P.O. Box 128, Gaborone, Botswana
	Mr. Bo Dan Bergman	Senior Programme Officer SIDA(Botswana- Lesotho)	Do
	Ms Lena Tranberg	Editor	Lo

<u>COUNTRY</u>	<u>DELEGATE</u>	<u>TITLE</u>	<u>MAILING ADDRESS</u>
U.K.	H.E. Mr. O.G. Griffith	British High Commissioner	P.O. Box 521, Maseru 100 Lesotho
	Mr. D.I.S. Coombe	First Secretary	

UNTRY	DELEGATE	TITLE	MAILING ADDRESS
C	Mr. Brusasco	Acting Delegate Economic Adviser	P.O. Box 518, Maseru 100, Lesotho
	Mr. E. Loher	Adricultural Adviser	Do
O	Dr. H.B.K. Geuting	FAO Officer-in-charge	P.O. Box 301, Maseru 100, Lesotho
RD	Mr. Jan Wijnand	Deputy Chief, Southern Agricultural Division, Eastern Africa Projects Dept	1818 H Street Washington D.C. 20433, KW, USA
	Mr. Paul Duane	Senior Agricultural Economist Southern Agricultural Division	1818 H. St. N.W. Wasington D.C. U.S.A.
	Mr. Steven J. Carr	Agriculturalist, Regional Mission in Eastern Africa	P.O. Box 30577, Nairobi, Kenya
CTAD	Mr. J.P. Barigye	Regional Trade Policy Adviser	P.O. Box 301, Maseru 100, Lesotho
DP	Mr. Esrome Kuruneri	Senior Area Officer of the Regional Bureau for Africa	UNDP - Africa Bureau United Nations, New York U.S.A.
	Mr. Michel Doo Kingue	Assistant Secretary General Assistant Administrator of UNDP Regional Director for Africa	
	Mr. David McAdams	Resident Representative	P.O. Box 2183, Libreville, Gabon
	Mr. Challons	Resident Representative	P.O. Box 301, Maseru 100, Lesotho
	Mr. A. Sager	Consultant to UKDP Rapporteur	c/o FAO, Rome, Italy

COUNTRY	DELEGATE	TITLE	MAILING ADDRESS
UNDP Continued	Mr. Stuart M. Taylor	Member of Multi-Donor Mission - FAO Consultant	Vagaries, Horton, Swansea SA3 ILOQ;
UNCHR	Mr. A. Sokiri	Representative	P.O. Box 746, Maseru 100
UNICEF	Ms Kay W. Eilbert	Programme Associate	P.O. Box 301, Maseru 100
W.F.P.	Mr. Peter F. Witt	Deputy Representative	P.O. Box 301, Maseru 100
Anglo-De Beers Forest Services	Mr. D.F. Davidson	General Manager	P.O. Box 774, Maseru 100
CARE	Mr. Marshall E. French	Director	P.O. Box 682, Maseru 100 Lesotho
	Mr. G.N. Weismilher	Assistant Director	Do
CFTC	Mr. Peter C. Hayes	Project Development Adviser	P.O. Box 1147, Maseru 100 Lesotho
CRS	Mr. Carbone	CRS/Lesotho Program Director	Letsie Road, P.O. Box 159 Maseru 100, Lesotho.
O.I.C.	Mr. George Cook	Programme Advisor	P.O. Box 2542, Maseru 100, Lesotho
OXFAM	Mr. J.P. Parsons	Representative	P.O. Box 286, Maseru 100, Lesotho

COUNTRY	DELEGATE	TITLE	MAILING ADDRESS
Danish Volun- teers	Mr. A. Pederson	Marketing Officer	P.O. Box 1039, Maseru 100 Lesotho
IVS	Ms Sarah Westcott	Field Officer	P.O. Box 269, Maseru 100 Lesotho
PEACE CORPS	Mr. Lee Jinks	Associate Director	P.O. Box 554, Maseru 100.
W.U.S.C.	Mr. Randy Weeks	Director, Southern Africa Region	P.O. Box 1191, Maseru 100, Lesotho

Denmark            Mr. Jorgen Lindn            Programme Co-ordinator            P.O. Box 25107 Nairobi, Kenya.



AGRICULTURAL POLICY CONSULTATION BY THE HONOURABLE MINISTER OF AGRICULTURE

PREFACE

1. The Government has welcome the suggestion of the donor community to have a special conference on agricultural development in Lesotho. It is Government's earnest hope that out of this conference will emerge a blueprint that will be used by all, in further efforts to strengthen the base for economic and social development of the country. The value of this initiative will be in establishing a forum of reference from which to derive policies, plans and programmes and to which to subscribe to in order to avoid the regret which to have had and indulge in incessant regret and self-accusation.
2. Lesotho has many views dialogues of this nature as indispensable in finding appropriate solutions to the many and complex problems which face development in Lesotho. The forum for dialogue have been the National Conference, the National Development Conference of 1972, and the National Development Conference of 1973. In that context, the Government is pleased to have the donor community contribute to the improvement of the situation. It is felt necessary for the Government to have Governmental policies, plans and programmes which will be consistent and coordinated with the plans and programmes of the donor community.
3. The present dialogue has also been provided by a multi-donor mission which has been organized by the donor community. The mission is headed by the Hon. Minister of Agriculture and is composed of representatives of the donor community. The mission is to provide a forum for dialogue between the Government and the donor community. The mission is to provide a forum for dialogue between the Government and the donor community. The mission is to provide a forum for dialogue between the Government and the donor community.
4. The purpose of the present dialogue is to give a brief description of the present situation in the field. It is first to give a brief description of the present situation in the field. It is first to give a brief description of the present situation in the field. It is first to give a brief description of the present situation in the field. It is first to give a brief description of the present situation in the field.
5. The next objective of a stable institution is to provide a forum for dialogue between the Government and the donor community. It is first to give a brief description of the present situation in the field. It is first to give a brief description of the present situation in the field. It is first to give a brief description of the present situation in the field. It is first to give a brief description of the present situation in the field.
6. Specifically, the present dialogue is to provide a forum for dialogue between the Government and the donor community. It is first to give a brief description of the present situation in the field. It is first to give a brief description of the present situation in the field. It is first to give a brief description of the present situation in the field. It is first to give a brief description of the present situation in the field.

7. It should be noted that the multi-donor mission did admit that they were limited in scope, because their terms of reference required them to look only at what was wrong with the Agriculture Sector. Therefore they could not comment on any positive developments.
8. The Lesotho Government recognises the cultural diversity which characterises our world. The unique cultural identity of the Basotho in this regard, should be given singular recognition by all concerned.
9. Before turning to discuss current policies, policy instruments and strategies it is necessary to give a brief description of Government's outlook towards agriculture as an integral part of Rural Development and a basis for national economic development.
10. The cycle is viewed as starting from a stabilised landscape that has a complete and full range of vegetative cover that is capable of maintaining structural stability of the soil by maintaining rechargeable water and nutrient regimes. The constant effort is to return it to its original form.
11. Judicious and systematic utilisation of land will be based on stepwise, village-by-village land use plans. These plans will be developed, but only implemented when appropriate protection measures are installed. The productive capacity of each class of land will be assessed, and allocation for utilisations will be only to those that use it to the optimum. The Land Act of 1979 has extensively elaborated on the guidelines for the allocation and utilisation of land.
12. Because of the limited size of the productive land base, it is no longer possible to adhere to the customary principle of allocating each head of household three fields for crop production and allowing an unlimited number of animals to be grazed communally. However, owing to the agrarian nature of our society everyone still has to get a fair share of benefits from both the arable and range land. The only workable system for equitable distribution of such benefits is the cooperative approach to production and marketing.
13. Traditionally, livestock has never been communally owned. But within the framework of village or area based management of resources, individually owned stock can be managed cooperatively on communally owned rangeland, which will be used by those who reside and farm in the specific area. In this regard, mountain dwellers will be encouraged to rear and graze animals on the range in the areas of jurisdiction of their traditional leaders. Similarly, lowland dwellers will be encouraged to concentrate on crop production activities. This approach will require intensive education of farmers on the importance of specialisation as determined by ecological factors.
14. A document entitled "Implementation strategies and schedules based on policy guidelines emanating from National Agricultural Conference" spells out in detail specific activities, agencies and times scheduled for implementation.
15. Agricultural marketing is a function that will be assigned to the cooperative movement as outlined in the discussion paper under cooperatives. The merger of Coop Lesotho and PNC will form the rudiment of the cooperative marketing organisation. Livestock and Livestock Product marketing will follow the same pattern in due course.

16. Women will be treated as a special category of the human resource as there are prerequisites to be met before their full and productive participation can be realised in addition to household responsibilities.
17. Appropriate organisational adjustments of the Ministry of Agriculture as well as interministerial linkages are underway within the framework of a decentralised management of service delivery and development programmes.

#### LANBASE CONDITION, CONSERVATION AND TENURE SYSTEM

18. Some of the arable soils are depleted of nutrients and organic matter through long improper use without adequate replenishment with fertilizers and organic matter. This has been caused by the attitude of minimum investment and maximum exploitation towards land resource.
19. The deterioration of the landbase is to a large degree attributable to low level of management on the rangeland in terms of livestock production and on arable land in terms of crop production. This is aggravated more by tenure system.
20. The emphasis will be on biological approach to conservation because it is less expensive and production oriented. We do however recognise that under our conditions and considering that soil for practical purposes is a non-renewable resource, structural measures have a role to play in the long term in stabilising and making the land base secure. A more meaningful and effective conservation programme in Lesotho should be a combination of a structural and biological measures because the two are not mutually exclusive and cannot be applied independently of each other (Appendix A Chapter 4).
21. Steps are undertaken to improve the productivity of the rangeland by control of livestock numbers and improvement of stock and making it easier for farmers to market culled stock. The Range Management and Grazing Control Regulations 1980 have been promulgated. (Appendix D).
22. The regulations provide for controlling livestock numbers on the grazing lands giving them time to recover and to be stocked with improved breed and proper numbers. The regulations introduce a permit system for graziers and culling of undesirable animals on range which will also help in controlling imported culls by the miners in the Republic of South Africa.
23. Recognising that land tenure contributes to land base deterioration by making measures undertaken to improve and conserve the land base ineffective, measures are taken to make necessary changes through "The Land Act 1979" (Appendix C).
24. The Act provides broad institutional and procedural framework within which land allocation, its utilization, administration and other related issues will be dealt with. In order to effect these changes in the tenure system and immediate implementation of the act, the Government has promulgated 1980 Land Regulations (Appendix D) which will be followed by other legal instruments for control purposes.
25. Other legal instruments meant for realization of 1980 Land Regulations are still being drafted. These relate to revocation of land utilization and setting out standards for land users which must be adhered to, refusal or inability to control erosion, and a lack of cultivation of arable land for any period in excess of 3 years.

26. It is our firm believe that these regulations with other recommendations found in the publications by the Conservation Division of the Ministry of Agriculture which set out standards for agricultural land utilization, constitute a comprehensive set of measures for improvement if they are properly followed and will enhance and ensure attainment of self-sufficiency in food production in the country provided they are coupled with good management practices, education, strong and efficient extension services. The publications referred to above are the following: Cropping Guidelines for Lesotho, A Guide to Range Site and Condition Determination, Recommended Stocking Rates, Guide to Engineering uses of Soils in Lesotho, Land Capability Guide for Lesotho, Soil Moisture Conservation and Increased Crop Production, The Universal Soil Loss Equation in Lesotho, Principles and Practices of Conservation Planning etc.

27. With regard to a plan for the phased implementation of a land reform programme under the 1979 Land Act including the target dates for achieving various stages of implementation, continuing consultations will be made between the two Government Ministries concerned i.e. Interior and Agriculture. In view of this, it would seem reasonable to start registration of lands in areas wherein detailed soil surveys have already been undertaken and declare them as Selected Agricultural Areas. These are for example, Gato in Butha-Butha district, Khomokhoana and Kolonyama in Leribe district, Martins' i and Majara in Berea district, Former Thaba-Bosiu Project area, Matsieno/ Morija in Maseru district, Tsoaing Project area in Mafeteng district, Mount Moorosi in Quthing district etc. It should be realized that land reform programmes usually take long to implement.

28. Preliminary consultations however, have been made and are to be extensively pursued immediately after this conference to map out the strategy for implementation of the agricultural provisions of the act as they relate to legal instruments for registration, the expansion of the land office, cadastral survey, staffing and training needs, and budget requirements with indication of donor assistance desired.

#### HUMAN RESOURCES

29. The human resources that are active participants in agriculture are basically in two categories, namely: the "farmer", who is a target and an ultimate beneficiary of all designed agricultural development programmes. The second category is a cadre of Public Servants (including Expatriates), who provide professional and technical guidance, administrative, extension and other services to the farmer in order to improve his own living conditions and changing the environment surrounding his area of productive activity.

30. "Farmers" can be divided into two distinct groups. The first group comprises the able minded and able bodied men who are engaged in other than agricultural activities. They are mainly in the mines of the Republic of South Africa or otherwise full time employed in industry and the public service. Their mobilisation for agricultural purpose is easiest when they return to their areas and villages of origin. But this is dependant upon the attractiveness of agriculture as a paying primary industry, which in turn depends on availability and ready accessibility of factors of production such as are to be provided under the Basic Agricultural Services Programme (BASP) and the Mountain Livestock Development Centres (MOLDEC).

31. Government of Lesotho in the third five year development plan seeks to consolidate and intensify efforts to generate employment for Basotho especially in agriculture as an attempt to attract miners back into agricultural development. To retain this vital male labour force in agric-

ultra, projects and programmes are being developed and implemented which aim at:

- a) Rapid and sustained increased yields of existing crops;
- b) Diversification of agriculture to include several new high value and labour intensive crops;
- c) A good balance of mechanisation and labour intensive operations without necessarily undermining employment opportunities.
- d) Promotion of agro-industries.

32. The second group comprises women who in the absence of their husbands and/or their sons act for the most time as heads of households and therefore take responsibility for farming and other household chores.

33. It is in recognition of the responsibility and contribution that women make in agricultural development that GOL gives top priority to projects which relieve them of the heavy time consuming family chores. The projects which receive emphasis are Woodlot Projects, village water supply schemes to mention but a few.

34. It was in the same vein that GOL established the Bureau of Women's Affairs in the Prime Minister's Office whose primary objectives are inter alia: to organise women into a permanent structure with legal status and harness this vital national labour force on a permanent and continuous basis to undertake agricultural development projects and related income generating development programmes.

35. The category of professionals, technicians and administrators is thinly spread in the farming communities with the exception of lower cadre of extension who constitute a main communication link with the headquarters. This situation has rendered the extension service ineffective over a long period.

36. The Government with a view to remedying this situation has instructed that decentralisation of services to the farmer should be looked into and immediately effected. The national workshop/seminar on Decentralisation was held from the 8th to 12th of July, 1980 in which recommendations were made for consideration and approval by Government (see appendix E). In view of the need and urgency to decentralize services to the district level and finally to the farming communities, the Ministry has been actively engaged in the reorganisation exercise.

37. This exercise has resulted in a shift in policy from specialisation back to the concept of the Generalist Extension Worker at least at the grass root levels of farming operations.

38. The organizational structure proposed, lays emphasis on the provision of field services which shall have been sufficiently strengthened to enable one Extension Worker to look after a maximum of 200 farming families instead of the existing ratio of 1:500+. The extension services at the village level will be undertaken by the Extension Assistants who are holders of the L.A.C. Certificate in Agriculture. These will be assisted and supervised by the Diploma level Extension Officers who will also be strictly field workers; working hand in hand with the Extension Assistants. For effective supervision, it is recommended that one extension supervisor should be given a maximum of 5 - 6 assistants to supervise.

39. In order to provide technical services at the District level a core of technical officers representing each of the major agricultural disciplines will be provided. These will be Technical Officers trained to Degree level. Together with the District Extension Officer, they will be responsible to the District Agricultural Officer, (a well experienced, senior officer who will be appointed to hold this office because of his training and wide knowledge of matters affecting agriculture), for planning and implementing agricultural development activities in the Districts.

40. A Directorate of Extension and Information has been set up, and staffed with highly trained people in extension methods and education.

41. Massive reorientation and training programme has been designed to facilitate this effort. Intensive training programme for the farmer is also planned to run concurrently with that of extension worker. Training and Visit system will be the methodology in delivering the services.

42. The Research Division of the Ministry is being reorganised and the personnel manning it is being reviewed. Qualified Researchers in different specialities will be selected from the present cadre of professionals and be upgraded where necessary. Once this has been accomplished, the substance and management of research will change to address specific problems from the field and other needs of the country. This will also enhance proper coordination of all agricultural and related research activities in the country and its administration. We view the Farming Systems Research Project having a role to play in this respect.

43. The results of technical research findings will be channelled through the directorate of Extension where they will be translated into simplified materials and language understood by the farmer for his adoption.

#### PRODUCTION AND MARKETING COOPERATIVES AND VILLAGE BASED MANAGEMENT OF RESOURCES

44. The reigning attitude towards increasing agricultural production is that, it can best be realised by benefiting from the Mutual Assistance of the Co-operative movement. The obvious advantage here is in the pooling of resources which, it is generally known and accepted, are scarce.

45. The Government of Lesotho is convinced that in view of the traditional pattern of life of Basotho, the village based cooperative is tailor made for the country. This view derives its support from the fact that the cooperative approach to common problems is still prevalent.

46. Accordingly, a new cooperative policy (Appendix F) has been outlined and is being implemented to address the following issues:

##### a) Education and Training

Government has undertaken to provide a cooperative Development Centre whose aim is to provide participants in the cooperative movement with skills to enable them to run efficient and successful cooperative societies.

In the implementation of the educational programmes, the lowlands have been covered. The programmes have attempted to give the farmer a deeper insight into questions of facilities available to cooperatives, their organisation, administration and laws.

b) Multi-purpose Cooperatives

These societies are expected to cover several villages which can comprise an economic unit that justifies the provision of educational, commercial, health, agricultural and marketing facilities. The concept recognises the multifaceted nature of individual households and therefore services to them should come as a complete and comprehensive package, that includes production credit, input supply, savings facilities and appropriate education and training.

d) Lesotho Federation of Co-operatives

The primary aim of this apex organisation will be to promote the prosperity of societies affiliated to it through provision of the following services:

- i) Education and Training
- ii) Accounting and Audit
- iii) Insurance
- iv) Evaluation, planning and research
- v) Legal services.

*Qualit?*

d) Co-operatives Financing

The Lesotho Agricultural Development Bank (ADB) has been designated the main depository of cooperative savings. The bank will issue loans to the cooperatives which will advance the same to its members.

e) Infrastructure and Services

The two programmes, BASP and HOLDEC, are instrumental in the provision of infrastructure and services to the farmers in the lowlands and mountain areas, respectively. They thus close the gap that has been experienced in terms of mobility, marketing (input and output) storage and general extension services.

*from about 1970 onwards of the region.*

GOVERNMENT INTERVENTION

47. Government recognises that it is the responsibility of landholders to optimally use their land for production by taking full advantage of the facilities and services provided. Experience of the last fourteen years has shown that small scale demonstrations and experimental pilot projects do not effectively and in concrete terms achieve the educational objectives. Government will therefore intervene by direct participation in production activities in cooperation with landholders. This intervention is intended to last the time that it takes for farmers to be on their own with only advisory services given by the public services.

AGRICULTURAL MARKETING

48. Agricultural products marketing has for a long time been hampered by lack of marketing infrastructure and appropriate institutional framework as well as financing. The apex cooperative organisation is going to have as one of its four departments, marketing department. This department

will be partly made up by the merger of PMC and Co-op Lesotho to form a new entity that will deal with supply of production inputs and crop marketing. Livestock and Livestock Products Marketing as a second part of this department will be made up of individual units that will cater for specific products such as eggs, milk, meat, wool and mohair.

49. Internal distribution of commodities will take precedence over export orientation as a measure to stabilise internal trade and curb inflation.

#### MOA CAPACITY TO PLAN

50. The capacity for effective planning is limited by shortages of skilled manpower in the planning machinery of the Ministry and in fact of the Government as a whole. This problem has encouraged donor agencies to prepare projects on behalf of local planners and people, using very limited information which more often than not lay stresses on issues which do not appeal or conform to the priorities of local people. This results in the failure of such projects to enjoy full support of the local people.

51. Government has just finished the exercise of restructuring the entire government planning machinery, through first, establishment of Economic Planning Commission, secondly, redefinition of the terms of reference of the Central Planning and Development Office and finally strengthening of the ministerial planning units which will work hand in hand with district planning committees.

52. In the Ministry of Agriculture, and Marketing, institution building programmes have been embarked upon to enhance the analytical and policy formulation capability. In this regard training to degree and post-graduate levels has been given the highest priority in order to ensure full participation of local officers.

#### PRIORITY SELECTION

53. Lesotho Government has its own priorities which have been outlined in previous pages as:

- a) Stabilisation of the land base,
- b) Mobilisation and development of the human resource,
- c) Mobilisation of local financial resources,
- d) Installation of production and marketing infrastructure,
- e) Cooperative but judicious exploitation of natural resources and
- f) Employment and income-generation.

54. Using the principle, "put your money where your mouth is", as a prioritisation indicator, it will be noted that the situation is absurdly paradoxical. This is a result of the conflict between Government priorities and Donor priorities. Current investment pattern of donors follows one or more of the following guidelines:

*1. Don't put their money where their mouth is?*

- a) On-going projects and programmes in which Lesotho Government has already made a financial commitment - or commonly on the guidance and advice of donor expertise.
- b) Project which donors are willing to make pledges, commonly determined by the slogan of the day such as "integrated rural development", "intermediate or appropriate technology" or "women in development".
- c) Projects for which there is manpower machinery, and are ready for implementation.
- d) Projects which seem to answer the immediate desires of the people.

55. Financial programming cycles of donors and GDL planning cycles do not often coincide, particularly because each is often guided by its local circumstances.

56. When donors prepare materials for submission to their funding authorities, they often preempt the Lesotho Government's formulation and design function, assigning their own experts to write up projects documents in their own format. The Ministry is often merely invited to make a request for the project. It would be far better if the donors would assist Government in the design of its own projects and in relating these to national strategies and priorities.

ANNEX IV

RECOMMENDATIONS TO GOVERNMENT  
FOR AN  
AGRICULTURAL EMPLOYMENT STRATEGY

developed by  
The Ministry of Agriculture  
Government of Lesotho  
August 1980  
Maseru

## PREFACE

This paper was drafted by a working group of the Ministry of Agriculture, consisting of R. Mochebelele, P. Mosebo and J. Eckert. It has been reviewed, revised and tentatively approved by the Heads of Divisions, meeting on August 15, 18 and 20, 1980. It is herewith submitted to the Permanent Secretary (Agriculture) for his approval and onward transmittal.

The paper attempts only to develop major issues. Much work remains to be done to develop specific policies and implementation procedures before employment creation becomes an effective reality in Lesotho's development program. In many instances the issues are wider than a single Ministry and require inter-Ministerial or national attention. Hopefully, the attached paper will stimulate the necessary dialogue.

Recommendations to Government  
for an  
Agricultural Employment Strategy

I. INTRODUCTION

Employment generation is the top priority objective of Lesotho's Third Five Year Plan. Furthermore a growing labor force plus the possibility of constant or declining migration opportunities suggest that employment must retain its high priority throughout the foreseeable future.

This nation requires an explicit employment strategy as part of its overall development program. Since unemployment and underemployment, with their consequences of poverty, hunger and unrest, are already visible in Lesotho, the country badly needs to make an impact on this situation in the near future. In addition to short-term measures, a viable long-term strategy is mandatory to ensure the nation's stability and serve as the foundation of future equality and ultimately prosperity. These several benefits go together and employment is the key to each of them.

Just as each sector of the economy must contribute fully to this objective it is also recognized that no single sector can solve the problem by itself. The problem is serious enough that it will not be solved by each Ministry developing and implementing their own approach. A well integrated national effort is required. Nevertheless agriculture and agriculturally related business and manufacturing possess probably the largest potential for added employment during the rest of this century. It is therefore appropriate to begin with this sector. The analysis and recommendations below present in outline form the principal elements of an employment strategy for the agricultural and related sectors.

II. EMPLOYMENT IN PRIMARY PRODUCTION

The cornerstone of an overall agricultural development strategy as well as for an agricultural employment strategy is increased productivity in crop and livestock activities. To a large extent the two activities go hand-in-hand. The employment emphasis, however, suggests certain definite priorities within agricultural programs. Our purpose below is to present a very brief analysis of major issues and then to recommend policy and program priorities for consideration.

A. Employment in Cropping

Labor requirements for cropping will increase with any of the following four strategies, each of which is examined below:

- increased acreage
- increased yields
- increased cropping intensity
- shifts to more labor intensive crops or technologies.

## ANALYSIS

## 1. Increased acreage:

- a. There is only a limited supply of land in Lesotho which should be under plow in terms of accepted land use capability classifications. To extend cultivation beyond these limits risks lower yields, or serious erosion or both. These considerations set an upper limit to the potential for employment through acreage expansion.
- b. Planted area is now well below that limit so that, for the near term, some additional acreage could be planted. An expansion of planted acreage, however, could result in a decrease in average yields if labor and other inputs are spread more thinly or if the additional acreage is planted by poorer farmers.
- c. Much of the formerly cultivated land which has been fallowed has returned to grass providing an unexpected conservation benefit. There is reason to believe that many of these fields were poorly managed, distant from the household or were on slopes that should not have been plowed. To expand cultivation onto these fields again could conflict directly with conservation objectives.
- d. On the other hand, there are certain cropping activities that do not require annual plowing and do not leave the soil uncovered for part of the year. Among them are zero tillage cropping, permanent grass stands harvested as fodder and tree or vine crops. The latter suggest themselves readily because of their high value and labor intensity. In addition, the microclimate on North facing slopes may be thermally optimal for these crops.

## 2. Increasing Yields:

- a. There is considerable scope yet for increasing yields obtained from conventional field crops. Additional labor used for applying extra inputs (fertilizer, pesticides), for better seedbed preparation and stand establishment, and particularly for weeding will contribute measurably to higher yields. Successful farmer adoption of techniques to harness available moisture could contribute markedly to higher yields. Once better farm practices are possible improved seed would also prove to be a valuable investment. And as yields rise additional labor is required for harvesting, marketing and processing of output.

- b. There is good evidence that the scarcity of male labor on farms acts as an effective constraint on crop yields at present. This is unfortunate because prevailing low yields mean few jobs in agricultural businesses and a chronic food deficiency. There are, however, a number of technological substitutes for labor which should be considered. Chemical weed control can effectively ease the labor constraint at the time of the critical first weeding. Tractor power when applied to initial plowing can reduce fallow and increase yields, both of which can be employment generating in the long run by easing a short term labor constraint affecting a specific seasonal operation.
  - c. In other countries there is a substantial danger that a program of increasing yield levels achieves only short-term increases in employment. Ultimately higher yields make it feasible to mechanize and mechanization encourages larger farm sizes and labor displacement. Thus, employees are displaced by machines and small farmers are pushed out by the larger operators. The prospects of these developments in Lesotho are remote, however. Farms at present are too small to mechanize individually and the land tenure system (prior to June 16, 1980) prohibited the accumulation of land through purchase. The new Land Act establishes a market in land use rights through its leasing provisions. Some displacement of smaller farmers, who must lease out their land is inevitable. The point here is that without some form of controls it will be attractive to some farmers to accumulate enough land to support full mechanization. At that point, when the technology of production changes rapidly, accumulation of land can displace large amounts of labor and concentrate farm incomes into a few hands. If this were to happen the Land Act would be working directly against an employment strategy. Government should consider placing ceilings on land accumulation as part of their policies governing the structure of agriculture.
  - d. Ultimately there are limits to labor requirements in the case of extensively grown field crops, especially cereals. A long-term employment strategy suggests considerable diversification of cropping. Progress in this direction can result in a more labor intensive crop mix as well as a more uniform labor demand throughout the year.
3. Increasing Cropping Intensity:
- a. Cropping intensity is a measure of the number of crops grown per year per field. Nationwide, Lesotho has been averaging 0.6 which is a remarkably low figure, even for a developing country. This figure is considerably lower than the environment can support if farmers practice good moisture management.

b. Cropping intensity can be increased in three ways:

- reduced fallow
- multiple cropping
- intercropping

Reducing fallow encounters the same objections raised above in Section II.A.1. Multiple cropping means growing two or more crops on the same piece of ground in succession during one year. Winter wheat followed by sunflower is an example. Intercropping involves two or more crops on the same field simultaneously. Maize and beans can be intercropped in Lesotho with increased total output per acre. While the national average cropping intensity may never exceed 1.0 it could certainly be closer to that figure. And better farmers might attain a cropping intensity of 1.5 (three crops in two years).

- c. Increasing cropping intensity has several assets as an employment strategy. First is the obvious increase in annual output per land unit. Second is the spreading out of labor demand which helps to make farming a viable year-round activity. Third is the frequent necessity of hiring labor, particularly at harvest, when it is important to get the next crop in the ground as soon as possible. Finally, many of the crops and cultural practices of multiple- or intercropping are hard to mechanize. The cropping intensity approach thus offers the possibility of more sustained employment generation.
- d. One of the keys to increased cropping intensity is a capacity for rapid turn-around between crops. Fields often must be harvested, plowed and replanted within the space of a few days. If applied in this context, tractors can be definitely employment generating rather than labor displacing.
- e. Labor intensive multiple cropping systems have been tested in Lesotho and found economically viable at that time (in the famous demonstrations of Itate Macrabane).

4. Labor Intensive, High Value Crops:

- a. The decision to mechanize or not often depends more on the nature of the crop than on economics. Many crops require human (as opposed to machine) handling. Often these are specialty crops of high value in which case even a small area can employ several people and generate good incomes.
- b. Many such crops can be grown in Lesotho, and in fact many do grow but on a noncommercial scale. Examples include:

- most deciduous fruits
- some nuts
- most berries
- flowers (for seed)
- wine and table grapes
- temperate zone vegetables
- essential oils
- selected spices
- range grasses grown for seed.

The question arises as to whether these crops should be produced by government or by private producers. Under Lesotho's economic and social conditions private production initiatives are much preferred even though this means intensive training programs where completely new crops are involved.

- c. A number of these could well find an ecological niche in Lesotho that would make them particularly attractive options. The advantages of tree crops for selected sloping lands was mentioned earlier. All except vegetables are high value relative to weight which would permit their being grown for export, including European and North American markets. Most are very hard to mechanize and all are labor intensive.
- d. Most of these crops would experience the standard problems associated with the introduction of commercial production of new crops. Adoption will be slow, new techniques must be established, farmers will need training and information, marketing channels must be opened up, etc. In the case of orchards 3-5 years are necessary before production begins. Yet once established, they have the potential of a long-term contribution to rural incomes and employment.
- e. Many of these crops will require substantial investment and long gestation periods. It is important to couple them with efforts such as supplemental irrigation which reduce production risks. However, irrigation requires rethinking in Lesotho and irrigation technology should be covered in the selective mechanization policy called for below.

#### RECOMMENDATIONS

*It is recommended that Lesotho seek to increase employment in cropping through the following policies or strategies:*

1. *Lesotho should give top priority in the near term to programs aimed at rapid and sustained increases in yields of existing crops. The potential for significant near term gains exists and much progress can be made before upper limits are reached.*

2. *While stressing increased yields, precise policies are needed with respect to mechanization and the application of the Land Act in order to avoid the labor displacement effects of a yields based employment strategy.*
3. *To provide the basis of longer term employment growth, government should now launch a major program of testing, adaptation and pilot projects with two aims.*
  - a. *Establish viable combinations of cropping practices and crop rotations to increase cropping intensity.*
  - b. *Diversify agriculture to include several new high value labor intensive crops.*
4. *Multiple cropping packages should be ready for extension to the farmers by summer season of 1982/83. Programs involving high value crops should be developed for implementation no later than the end of the Third Five Year Plan.*
5. *Government should not encourage acreage expansion on severely sloping lands for either employment or self-sufficiency objectives, except in cases where the crop to be established is a perennial which does not require annual tillage and leaves the soil fully protected, or in cases of no tillage cropping.*
6. *Even though Lesotho is generally characterized as labor surplus, there are points in the production process where labor supply at the farm level acts as an effective constraint. Research and extension should begin a small but active program to identify these points and provide feasible solutions. In this connection the South African market for a fully developed range of input supplies is to be considered an asset since a small "dependency" for, say, herbicides can make a major contribution toward "self sufficiency" in foods and jobs. Packages of programs utilizing available technologies to relieve seasonal labor constraints should be ready for extension and implementation by summer of 1981/82.*
7. *A full scale review of government's policies and programs affecting farm mechanization should be undertaken immediately. The objective of such a review would be to assess the extent to which mechanization related programs contribute to or detract from employment opportunities and to make recommendations designed to redirect these programs toward employment creation. This review must embrace programs of at least MOA, MCRD, Agricultural Bank and Commerce and Industry.*
8. *As a prelude to programs to introduce high value crops, a major market study (or series of studies) needs to be undertaken. Much work has been done but it has not been systematized to the point that program recommendations can be developed. To ensure*

*continuity of effort and drive on this dimension, a permanent Intensive Cropping subsection of the Research Division should be designated and staffed initially with a horticulturalist and a market economist.*

#### B. Employment in Livestock Enterprises

Much the same four elements can be applied to the livestock subsector. Employment in primary production of livestock products can be increased by:

- more units of production (animals)
- higher output per production unit
- more labor intensive production methods
- alternative livestock enterprises

#### ANALYSIS

##### 1. Increased livestock numbers:

- a. Given the present imbalance between livestock numbers and range productivity, it is not possible to recommend increasing livestock numbers. Rangelands are already overgrazed and deteriorating, livestock productivity is severely depressed due to poor animal nutrition and livestock induced erosion problems continue. Most specialists concur that some reduction in herd size is necessary; many suggest figures of 25-30 percent. Given these factors an increase in large stock units is out of the question regardless of possible benefits to other development objectives.
- b. In theory Government should have the capacity to alter the balance of large vs. small stock, whether total numbers are reduced or remain constant. This factor can have important developmental consequences. The proportions of large vs. small stock affect the distribution of cash incomes, the amount of the livestock subsector's product which accrues as cash wages, the extent to which rural residents participate in the market and the geographical distribution of the participants in development.

##### 2. Higher Yields:

- a. Yields per animal are very low throughout the country, whether one speaks of the wool and mohair clip, milk production, carcass weight and dressing percentage on slaughtered animals or eggs per hen. Improvements of 50-100 percent are feasible in each of these measures. The principal constraint operating today is animal nutrition. The second most important factor is poor management while deficiencies in the genetic composition of herds is the third most important constraint. Diseases remain relatively well controlled in Lesotho.

- b. The livestock sector is extremely complex and would require elaborate analysis to fully develop an appropriate strategy. If, however, one wished to focus on stock nutrition as a means to increase output and therefore employment one critical factor is to control and alter the technology of feeding. At present livestock are "fed" through open grazing on a depleted rangeland. Massive stock reductions face serious obstacles in Lesotho. It is felt, however, that with a national demonstration of will and an effective supporting program some progress is possible. Progress will be slower than needed in the foreseeable future. An alternative, therefore, is to take the stock off the range by confining them, growing fodder as an intermediate crop and moving the fodder to the animals. Such a "confinement husbandry" or stall feeding system is much more labor intensive than open grazing, it would release large numbers of herdboys for school, and it provides the raw material for a number of labor intensive processing industries. It also would generate a cash market for fodder crops, thus providing an important source of demand for the cropping subsector. It would further enhance production and incomes per animal unit. And, very important, it would markedly reduce pressures on the rangeland. Every 100 hectares of cultivated fodders can feed as many animals as 200-500 hectares (possibly more) of rangeland openly grazed. Confinement husbandry systems are not suitable for everyone, however, they do offer a substantial potential for certain types of production which has not yet been tapped.
- c. The above strategy will become even more important during the 1980s when rainfall is expected to average below normal by as much as 13 percent in winter and 20 percent in summer. Natural production of range grasses will decline accordingly and the need for supplemental feeding will increase.
- d. Further increases in output can be achieved if the breeds involved in confined livestock production systems are carefully upgraded. Conversely the prospects of breed improvement programs are dim under open grazing systems as long as severe grazing pressures on the range continue. Improved breeds do not produce much better and may be less viable under nutritional stress.

### 3. Alternative Enterprises:

- a. The foundations are gradually developing to support modern livestock products industries. By the end of the Third Five Year Plan Maseru town will be a city of over 50,000 people. The modern sector of the economy will employ nearly 55,000 people throughout the country. An effective demand for meat, milk, and eggs can be expected based on urban life styles and cash wages. The infrastructure is being created in the abattoir, tannery, feedlots and other programs. Programs in pig raising, broiler and egg production, cattle fattening, dairying,

commercial fish ponds and the like are at various stages of development, with broilers and eggs being the most advanced.

- b. These developments can be seen as vital in three dimensions: 1) their high value products can contribute substantially to farm incomes, 2) they are absolutely necessary as part of an emphasis on confinement livestock husbandry, and 3) they are sufficiently labor intensive to offer substantial wage employment opportunities. Some of these types of activities have the additional benefit of being well suited to management by various forms of village organizations.
- c. Most of these programs are in their infancy and are still encountering teething problems. Most of the commercial livestock products enterprises (excluding wool and mohair) are concentrated in the hands of a few large influential farmers. Government has not been successful in involving small but interested livestock producers as yet. If livestock production is to form one of the cornerstones of an agricultural development and employment strategy, Government must give serious attention to vastly broadening the numbers of participants in modern livestock husbandry. This effort should be started now, even while the technological base is still being developed and tested.

#### RECOMMENDATIONS

*It is recommended that Lesotho include, as priority components of an agricultural employment strategy, the following livestock development policies and strategies:*

1. *To reduce as rapidly as possible grazing pressure on open rangeland as a means of improving the nutrition and production of those animals remaining on the range.*
2. *To improve as rapidly as possible the yields of edible and commercial products per livestock unit. First priority is animal nutrition programs. Second priority is the large list of improved practices that can improve management levels of livestock production systems. Both assume continued effective veterinary services. Only after progress with nutrition and management solutions would it be worthwhile to mount a major breed improvement program.*
3. *To stress confinement husbandry for animals and the production of fodders as a crop in the context of an integrated program with emphasis on small farmers, at least for fodder production.*
4. *To capitalize on the above to develop a wide range of animal products industries which would use an intermediate technology wherever possible to produce adequate quality while employing a reasonably high number of workers.*

5. *To develop the marketing services in both public and private sectors which will transmit urban and foreign demand effectively and efficiently to the farm gate.*
6. *To develop separate livestock program thrusts based on the following principles:*
  - a. *To distinguish between programs for the large commercial operator and programs of intermediate sophistication for the interested village-based farmer. Without explicit attention to the latter, the highly modernized production systems being tried at present milking parlors, caged layers, farrowing pens, etc. will never be adoptable by anyone but the already successful; they will not penetrate the rural sector. Both advanced and intermediate technologies should be stimulated through their respective programs simultaneously.*
  - b. *To capitalize on regional comparative advantage by developing regionally distinct livestock strategies:*
    - i. *Small stock emphasis in the mountains.*
    - ii. *Modern commercial enterprises (eggs, poultry) in proximity to urban demand.*
    - iii. *Meat, milk and poultry programs designed for village level management capacities and based on probable home consumption or sale within villages. The exception is meat where there is an identifiable need for both village scale and larger feedlots and feeding technologies.*
  - c. *To develop for the lowlands zone specifically a concentrated program combining herd reduction, stall feeding and significant increases in production of cultivated and natural fodders with the objective of enabling this ecological zone to support its own livestock herds. The ultimate objective would be to phase out the traditional transhumance as a means of restoring ecological stability to the mountain pastures, sponges and watersheds.*

### III. EMPLOYMENT IN SECONDARY INDUSTRIES

#### A. Processing and Marketing of Farm Produce

##### ANALYSIS

1. Progress in increasing production along the lines recommended above will make possible a proportional expanded employment in agri-business. The asparagus situation is a perfect example, every 4 hectares additional acreage provides employment and incomes for 20 farm families plus 15 full season jobs at the cannery.

2. Lesotho's agricultural commodities are exported largely in unprocessed form. There have been many recommendations to begin several lines of processing in Lesotho to increase domestic value added and create jobs. There is no better time than the present to begin a serious, sustained program. Close coordination will be required between MOA and MCRD, Commerce and Industries and LNDC. Unfortunately, such coordination is poor at present with decisions taken by one Ministry which are not the optimal when viewed from the other Ministry's perspective. Again the cannery provides examples. Farm production is the foundation of a viable agri-business community. Decisions taken in marketing or processing can only be considered short sighted if they work to reduce producer incentives.
3. Only a small portion of Lesotho's farm community produce for the market. Historically cash requirements have been met primarily by migrant remittances. One of the engines of Lesotho's development is the high level of cash expenditures coupled with only nominal production for the market. This situation will probably change as migration declines and household numbers continue to grow. An effective market is the mechanism that translates consumer demand into farm income. Unfortunately Lesotho's marketing system has suffered great confusion and mismanagement in recent years. Much has been disassembled but very little reconstructed. Consequently farmers suffer from the lack of incentives. Government does not have much leverage to influence farm activity and the consumer turns to imported food supplies. This situation must be remedied rapidly.
4. Comparative advantage differentials exist between regions in Lesotho. It would be in the economic interests of the country for each region to specialize in what can be grown best. Inter-district trade would follow. By releasing farmers from a concern with household self-sufficiency farm incomes would rise. And considerable jobs could be added in trade and processing. Lesotho is just now embarking on programs of decentralized planning. These two efforts offer the capacity to integrate and strengthen the economy, generating jobs and incomes in the process by building on regional comparative advantages.
5. To shift agriculture more toward a market orientation farmers must first be able to produce a surplus. Considerable progress is thus necessary in increasing crop and livestock output. Second, for the farmer to rely on the market as a link in his production-consumption chain, the market must function with a minimum of risk. Certainly today this is not true in Lesotho, variation in pricing, supplies and marketing costs could be reduced considerably.

### RECOMMENDATIONS

Considerable additional employment is possible in secondary agro-based industries, provided that farm productivity increases and some or all of the following occur.

1. Settlement to the chaos now characterizing government marketing policy and programs. A coherent overall marketing plan is needed. Once this is determined it must be embodied in an appropriate set of marketing institutions, each of which must be made to operate efficiently, with minimum risk and always with an eye to effects on farm incentives. Once such a system is operating, it must be sustained long enough for producers to develop confidence in it.
2. Specialization in primary production followed by interregional trade. To facilitate this, land use planning and decentralized (district) planning programs should be accelerated.
3. Programs to increase the domestic value added component of Lesotho's export commodities. This will require an effective mechanism for multiple-ministry planning, implementation and management.
4. Explicit programs to encourage greater commercialization of agriculture. These efforts will require success in two dimensions:
  - a. surplus production at the farm level.
  - b. an efficient low risk marketing system for both:
    - i. farm output
    - ii. consumer goods.
5. Due to the effects of multiple instances of poor coordination between MDA and agencies handling agri-business, it is important that the topic be discussed at the interministerial level with a view to:
  - a. Reexamining the question of where the control of agri-business should lie.
  - b. Develop the means for more effective working relationships where multiple agencies remain involved.

### B. Input Supplies

Much the same logic presented in Section III.A. applies here with respect to purchased input supplies.

## ANALYSIS

1. Purchased farm inputs require that farmers be at least partially commercialized, which suggests a certain level of profitability. The volume of inputs purchased by farmers will grow with growth in output and farm incomes.
2. As demand for inputs grows, Lesotho should attempt to maximize the amount of this demand which is captured within Lesotho's own economy. By this is meant supplying farm needs for input supplies from domestic production rather than imports. Considerable progress could be made immediately simply by a few policy changes. One of the easiest procedures with which to begin is to channel the demand resulting from Government's own expenditures to domestic producers wherever possible.
3. Considerable scope exists for producing farm inputs in Lesotho. Among the possibilities are:
  - a. Multiplication of improved wheat and other seeds.
  - b. Production of grass seed.
  - c. Fish meal, blood meal, bone meal and feed concentrates.
  - d. Small tools and implements.
  - e. Ox-drawn tillage and planting equipment.
4. What is being strongly suggested is a policy of selectively (and gradually) closing the border to farm supplies that can be produced domestically. Such a policy would have to be closely coordinated with Ministries responsible for encouraging investment and establishing agri-businesses. And again it requires rapid growth in primary production, stimulated by effective demand through the market.
5. It was pointed out above that certain technical or resource constraints impede farm productivity at present. Some of these constraints could be relaxed through technical change based on domestically produced inputs. For example, chemical herbicides are a direct substitute for weeding labor. Weeding labor is an active constraint to production yet herbicides are not readily available in Lesotho nor is their use understood by farmers. No one is employed in formulating, packaging or selling herbicides or in manufacture or distribution of application equipment. If the equipment were a divisible, "appropriate" technology such as knapsack sprayers, probable demand would be large enough to support a small production line.

6. A recent consultant by UNIDO established the feasibility of a domestic implements manufacturing industry. It further established the willingness of the South African plant which now manufactures Lesotho's plows to assist in developing such an enterprise. The thought is that the Lesotho firm could begin with simple assembly and progress through various manufacturing stages ending with all parts that can be cold forge produced in Lesotho. Not only farm tools but also tools and equipment for industry, commerce, construction, etc. could be manufactured. The report provides an example of a possible program that would reduce dependency on South Africa while generating jobs and profits in Lesotho.

#### RECOMMENDATIONS

1. *Emphasize as a matter of development strategy the domestic assembly, manufacture or production of inputs to farming or agri-business.*
2. *At the appropriate time reinforce this strategy with selective prohibition of imports.*
3. *Order of priority suggested:*
  - a. *First, those items for which there is already an established commercial demand in Lesotho and which can be easily produced here. Most important at present are feeds and feeders.*
  - b. *Second, those items which can be identified as effective constraints to primary production at present, chief of which are:*
    - i. *herbicides (formulation, packaging, distribution).*
    - ii. *fertilizers (compounding, packaging, distribution).*
  - c. *Last, less fundamental inputs the demand for which will arise only as farm production grows (e.g., stationary threshers).*

#### IV. MISCELLANEOUS

##### A. Labor Intensive Public Works

#### ANALYSIS

1. In the last three years with the support of the World Bank, the Labour Construction Unit, Ministry of Works has successfully tested, refined and proved the viability of labour intensive construction methods under many applications in Lesotho. The principal use of these techniques to date has been in constructing the infrastructure of the rural economy.

2. Part of the viability of labor intensive construction techniques rests on the wage level paid. An excessively high wage resulting from inappropriate minimum wage legislation can reverse the economics of the labor vs. capital tradeoff, causing widespread reliance on machines rather than manpower, and create serious and destabilizing unemployment problems in the long run.
3. Various donors have shown their willingness to fund an expanded program. At the present point, however, the limiting factor in the expanded use of LCU techniques is the supply of trained field crew supervisors and administrators to manage additional units.
4. One of the more important contributions of the LCU has been to develop effective techniques of field crew organization and supervision that work well in Lesotho. They are therefore in a position to meet the important need above (No. 3) if their program continues long enough. (Presently it will terminate after one more year).
5. Several labor intensive programs can contribute directly to productivity in the agricultural sector. These include:
  - a. Conservation works, both construction and maintenance.
  - b. Tree planting, for fuel, erosion control or orchard establishment.
  - c. Reservoir construction and works related to irrigation.
  - d. Range land reseeding.
  - e. Fence building.

#### RECOMMENDATIONS

1. *To develop a 5-10 year program of utilizing labor intensive construction programs for rural employment and to utilize this program wherever possible for the construction or improvement of infrastructure that will contribute directly to agricultural productivity, or rural levels of living. Where possible every effort should be made to utilize labor intensive works as part of a combined package of programs to stimulate agriculture.*
2. *Suggested program priorities (in descending order).*
  - a. *Repair of conservation works.*
  - b. *Rural access roads, bridges, culverts, bridal paths.*
  - c. *Afforestation and range reseeding.*

- d. *Fish ponds.*
  - e. *Orchard establishment on commercial scale especially where terracing of steep but climatically favorable slopes is concerned.*
3. *In the immediate future priority should be given to those labor intensive works requiring minimum supervision.*
  4. *To request an extension of the Labour Construction Unit for probably two additional years and to redirect their emphasis from engineering to training of field crew supervisors.*
  5. *To provide the legal framework for a rural-urban differential under the minimum wage law such that a lower, but still attractive, rural wage applies to non-urban areas. Not only would this ensure the viability of labour intensive public works but it should also serve as an incentive for decentralisation of private sector enterprises. Such decentralization is ultimately essential if crushing urban gluts are to be avoided and if rural areas are to remain economically healthy. This issue is urgent. It must be dealt with at the level of national policy since there are implications for every sector and Ministry. Reconsideration is also needed of the extent of coverage by the minimum wage regulations. For example, if minimum wages applied to hawiboyas, it would help make this a serious occupation, attracting men and releasing the boys to school.*

#### B. Public Sector vs. Private Sector

##### ANALYSIS

1. Lesotho's agricultural development programs frequently raise the issue of the balance between public and private sector initiatives. Sometimes the question is asked "Should we strengthen the private sector or should Government provide these services?" More often, however, the question is not asked and Government becomes involved without clearly considering the consequences for private enterprise. This situation is particularly evident in agriculture, especially with respect to marketing services. As the Ministry expands their activities they gradually close out options for the private sector. It must be stated that this does not appear as a development program strategy. However, on balance this is clearly what happens simply because the alternative of building a strong private sector is not fully considered. Government has a propensity to insert itself as the answer to problems whereas it could be cheaper, easier and better to strengthen the private sector's capacity to solve their own problems.

2. There are several things wrong with such a development. First, with the staff on the Establishment and capital resources from donors on a grant basis, Government is not under the same pressures to provide efficient, low cost services as is a private business. Second, because of the above two factors, much of the true cost is hidden and project design and evaluations look good because they are based on incomplete analysis. Third, world history especially in developing countries suggests there is very little chance of heavy government involvement being viable in the long term. Fourth, future prospects for rapid growth in Lesotho's revenue for recurrent budget support are dim. To base, say, marketing services on the assumption of government operation at a time when budget resources will provide an effective block to necessary expansion would seem short sighted. Lastly, the distribution of government services is too readily susceptible to distortions due to influence brought to bear through administrative rather than economic channels. Small farmers end up excluded as potential recipients.
3. Several examples of direct competition by Government with the private sector are available. One of the more important ones involves tractor contractors. There are a sizeable number of tractor contractors in the country and they could provide an invaluable stimulus to growth by increasing yields and cropping intensity and reducing fallow. At present they find profitable operation very difficult. They face direct competition from the Government's tractor fleet because of the way that fleet is managed. Rather than use Government tractors in areas where the private sector is absent they have historically been sent to areas of higher production where private tractors were already operating. How much more viable would it be to build a vigorous tractor contractor private sector and relieve Government of the burden of attempting to plow a major portion of the nation. To the extent Government needs tractor services why can these not be contracted for at commercial rates from the private sector. If Government added their demand to that of farmers, it could well make the difference between a marginal private business and one with an attractive profit. If tractor contracting were supported as a subsector activity, it could easily lead to new entrants to the field and gradually build up to where tractor services were available to anyone at competitive prices throughout the lowlands.
4. On the other hand, there are many areas in which Government activities can compliment and reinforce the private sector. One of the first is to establish a stable and economically attractive environment of input and output prices and other incentives. Second, government can utilize their capacities to relieve bottlenecks facing farmers. For example, small farmers face great difficulty and high costs in obtaining modern inputs from the South African market. Government, however, could ensure adequate supplies at low cost through volume purchases under an import program. There are also in Lesotho many possible forms of partnership

between government and farmers or village associations. The key point here is that the basis must be established to ensure complementarity between Government activities and private enterprise. It will require imagination and deep thought.

#### RECOMMENDATIONS

1. *Government should re-examine their policies and programs that affect private business and revise those that act to suppress the private sector. The guiding objective of this analysis should be to establish the basis for ensuring complementarity, rather than competition. Once that basis is selected, it should be enforced as a matter of policy applied to program identification and design.*
2. *Where a choice exists between relying on Government or the private sector, the priorities should be:*
  - a. *First, rely on the private sector.*
  - b. *Second, Government efforts to facilitate the efforts of private sector.*
  - c. *Third, private sector and government in partnership.*
  - d. *Last, Government controlled programs only where there is no other alternative.*
3. *Government should adopt the practice of directing its own demand for goods and services toward the domestic private sector wherever possible. One of the main weaknesses in Lesotho's economy is that perhaps 80 percent of all income is spent for imported goods. The jobs created by this demand are in the supplying country, not Lesotho. If Government can turn major portions of at least its own demand inward to the domestic economy it can provide a significant stimulus for its colleague in development; private enterprise.*
4. *Given the absence of small business today, plus the fact that the principal work experience of the Basotho is in mining, there is a scarcity of the management skills needed for small private enterprise. Government should develop the institutions to support the private sector (e.g., credit institutions serving small business) and much more extensive training programs in business management, merchandising, financial control and the like, each tailored to the small, rural entrepreneur.*

#### C. Implementing the 1979 Land Act

1. The 1979 Land Act which became effective in June 1980 provides a fundamental agrarian reform which can lead to much higher productivity levels in agriculture. The inheritance provisions should increase incentives for investment in, and preservation

of the soil. Leasing provisions should permit shifting portions of the arable land resource to the better farmers where it will be managed more effectively.

2. However, without effective controls, the leasing provisions could permit the accumulation of very large holdings by a few individuals. If this occurs the Land Act will also contribute to much greater inequality in rural incomes. Some displacement from the land is inevitable under the Act. The point is that there are no upper limits in the Land Act to the size of farm holding that can be accumulated, and consequently no legal limits to the extent of displacement.
3. Similarly, the Land Act does not contain a specification of the size of farm that would be considered "viable" under Lesotho's conditions. Presumably this size would vary according to the type of enterprise. The criteria for determining a viable farm should probably be 1) large enough to provide an adequate family income yet 2) manageable within the labor and draft power resources of the household.
4. There is a serious income distribution issue in Lesotho which the Land Act affects directly. At present the most affluent 25 percent of rural households owns or controls 41% of total income from crops, 60% of total income from livestock, 63% of total off-farm domestic incomes (including government jobs) and 58% of the total value of migrant remittances. Per capita incomes in this group are double the national average and 10 times the average level for the poorest quarter of the population. Permitting massive land accumulations by these households can only make things worse.
5. Furthermore, it would seem that since income sources are scarce in Lesotho and becoming scarcer, the Government's development objective of ensuring equity makes it mandatory to develop policies controlling the distribution of all major income sources. For example, if a rural household is to accumulate enough land under the Land Act to earn a decent living, is it fair for that same household to also hold one of the limited migrant jobs plus one or two government jobs as well? Since the number of job seekers now exceeds the supply of jobs, should not migrant employment and civil service jobs not also be subject to allocation policies in the interest of equity?
6. The Land Act 1979 contains provisions for Special Agricultural Areas wherein use rights can be structured in almost any way desired. This offers the potential for a very wide range of new agricultural enterprises, new land use systems, etc. Possible uses include:
  - a. Introduction of effective controlled grazing systems.
  - b. Establishment of year-long crops such as grass fodders.

- c. Expansion of winter cropping.
- d. Increasing cropping intensity.
- e. Development of village managed cooperative farming schemes.
- f. Watershed control.

As of this date the Ministry has made no plans for the utilization of Selected Agricultural Areas provisions nor is the potential offered by this act reflected in agricultural programs of the Third Five Year Plan.

#### RECOMMENDATIONS

1. *That the Ministry of Agriculture take the lead in defining viable farm sizes for different environments and enterprises and that these be adopted by Government as target levels for the ultimate agrarian structure to emerge from the Land Act 1979. Since this was in the original terms of reference for the Farming Systems Research Project as a part of the Research Division, FSRP/RD should be directed to proceed with this effort immediately. Such a definition should accommodate employment, income and equity objectives as first priority and be tailored to very modern production technology only to the extent that it is compatible with these objectives.*
2. *That Government seriously consider policy options for controlling excessive accumulation of land under the 1979 Act. Such policies seem warranted in the pursuit of equity and to prevent possible large scale displacement of small holders into situations of complete unemployment.*
3. *That Government consider developing a comprehensive set of policies which would affect the allocation of all major income sources in Lesotho as a means of correcting present imbalances and preventing their worsening in the future as jobs become scarcer relative to demand. Government should consider developing such policies for a) land allocation, b) livestock holdings and access to pasture resources, c) migrant employment, d) civil service employment, e) modern sector employment.*
4. *That consideration be given to the possibility of allocating agricultural land to those persons who have received training in production techniques.*
5. *The MOA should immediately begin to develop current plans for the utilization of the special agricultural provisions of the Land Act 1979 and to incorporate these plans within the general framework of their development program.*

6. *The MOA strongly recommends that first priority under the Special Agricultural Areas provisions be given to the control and management of watersheds.*

D. Selective Mechanization Policy

1. Several mechanization issues have appeared in the above text. Theoretically each separate piece of mechanical agricultural equipment can have an impact one way or the other on employment. These impacts can be either direct or indirect, through increasing yields or cropping intensities. For example, a tractor used to speed land preparation can increase cropping intensity with the result being more adequate employment on the farms involved. Mechanical planters can increase employment through their contribution to higher yields.
2. Government's agricultural programs at present seem to be copying the latest in production techniques as are in use in South Africa and the Western world. Much of the equipment in use has been adopted without consideration of the employment consequences. In many cases, e.g., the use of combine harvesters, the technology is completely unsuited to Lesotho's farming environment and contributes substantial financial losses.
3. Among mechanization policies which need to be reconsidered is the extent to which Government should own equipment rather than lease machine services from private Basotho contractors. Furthermore, to the extent Government owns equipment, the manner in which it is used requires review.

RECOMMENDATIONS

1. *That the MOA commission a research study to examine each mechanical technology currently in use or planned, for its implications on agricultural productivity, employment and incomes. Subject to the results of this study that agriculture adopt a series of policies explicitly encouraging certain mechanical technologies while discouraging others which are found unsuitable. Absolute prohibitions may be warranted in certain cases.*
2. *That the MOA examine their policies with respect to ownership vs. leasing of machine services with the explicit intention of developing a phased program under which MOA shift to emphasizing the latter rather than the former. The availability of repair and maintenance services and parts supplies should be a definite criterion in identifying equipment to be approved.*
3. *That the MOA, collaboratively with the ATU of BEDCO, examine the economic, strategic, and social feasibility of selected appropriate technologies for farm production. Items that might be considered include: a) stationary threshers, b) reversible ox-draw mould-board plows, c) improved seeding equipment suitable for ox power.*

REPORT OF THE MULTI-DONOR  
AGRICULTURE SECTOR EVALUATION MISSION

CONSOLIDATED COMMENTS BY THE LESOTHO GOVERNMENT

A. GENERAL COMMENT

The Government of Lesotho (GOL), wishes to express its appreciation for the excellent Report produced by the Mission. In general, the main conclusions and recommendations made are endorsable, and government is already in the process of implementing some of these, which have been diagnosed by earlier missions and studies and had been adopted by the Multi-Donor Mission in question. There are a few areas of substance where, however, GOL has reservations or disagrees with the Mission. These will be stated in this paper, along with any secondary or minor comments, including factual corrections.

B. COMMENTS ON PARTICULAR SECTIONS OF THE REPORT

1. PREFACE

*12*  
The statement in paragraph 5 of the Preface, that the Ministry of Agriculture declined the invitation to written comments to questions put forward by the Mission does not represent a true picture of what actually transpired during the discussion: especially on the question of "the Ministry's position on structure and capacity to formulate and evaluate progress; investment priorities between and within sub-sectors; and the potential effectiveness of the mix of individual projects towards achievement of overall subsectoral and sectoral objectives".

From the onset when the mission arrived it was accorded every opportunity to meet with the Permanent Secretary at least three times a week to clarify outstanding issues which the mission felt they were not adequately covered during the interviews with subsectoral individuals and groups.

This particular issue was discussed on several occasions with the Permanent Secretary and very exhaustively during one evening at Hilton Hotel. It was explained very clearly that written comments would not be exhaustive enough. Hence, verbal discussion would facilitate mutual understanding on very broad issues. Any written comments were found to be a limiting factor to discussion of many issues which were so closely interrelated that one cannot be discussed in isolation from the other. However, the mission in its inquiries was afforded maximum cooperation.

2. CONCLUSIONS AND RECOMMENDATIONS

*No comment* As this section is a summary of the main subject matter, any reservations or comments on these conclusions and recommendations are taken up in the appropriate section.

3. CAUSES OF SLOW GROWTH

No comment.

4. MOA CAPACITY AND PERFORMANCE IN PROJECT PLANNING

Target Setting (p.2 paragraph 6 and p.26 paragraph 2). The Mission's concern for the "absence" in the 3rd 5-Year Plan of quantitative targets for the sector, as well as for individual crops and livestock products, is appreciated. Guidelines for sectoral plan preparation including target setting had indeed been submitted to MOA by the GOL Central Planning and Development Office as early as March 1979. But there have been difficulties in setting targets for two main reasons. First, the statistical base was very weak and detailed targets might give a false impression of accuracy. For instance, in the field of crops, production and yield estimates for the period 1970/71 to 1972/73 are lacking because no systematic survey had been carried out. A sample production survey was resumed in 1973/74 but in 1976/77 the sample methodology was changed. This coincided with a big unexplained reported increase in yields in 1976/77 and 1977/78 - by at least 30 - 50% over what was considered to be "normal". Obviously, in the absence of a consistent

and "reliable" time series data base, doubt was cast on the usefulness in precise quantitative targets. The problem was still worse in the case of livestock, where, wool and mohair production statistics were based on recorded exports and recent survey results for livestock slaughters were available for only one year. A second difficulty in setting effective and consistent targets was the fact that, in a number of fields, major policy revisions were under consideration and, until definite conclusions or commitments were made, once more the value of accurate targets would be reduced.

*There is a record of them that it should be*

Despite these reservations, detailed targets were submitted by MOA to the Central Planning Office in December 1979. But after scrutiny it was deemed that some of these targets had not been adequately appraised for techno-economic feasibility, nor had they been reconciled fully with macro-objectives and financial resources. Hence they have been partially included in the final text of the Plan or have been accepted as tentative working guidelines to be refined and spelled out later on (when research and policy reformulation reached a more definitive stage) or to be concretized on the occasion of preparing the annual budget and plan.

#### Communication/Progress Reporting

The suggestion on p.20 paragraph 10 for holding monthly seminars on agricultural progress is on principle good but probably unworkable due to its time-consuming nature.

Moreover, apart from internal staff meetings as well as meetings held at CPDO with other Ministries on particular issues, GOI has now adopted a regular project reporting and monitoring system, which is being tried for a pre-selected list of major projects.

#### Responsibility for Food Programmes

Both in the summary pp 6-7 and on pp. 32-33 and 38, the Mission is of the view that "the separation of responsibility for food programmes from MOA is an impediment to

efficiency as it leaves the Ministry pre-occupied with production without being responsible for overall supply and trade" (pp. 66-7). It is further claimed (pp 32-33) that "Responsibility for food aid programmes is not at present vested in MOA, which is pre-occupied exclusively with agricultural production and is under no pressure to match production to requirements. The Ministry is not responsible for food imports. Food aid requests tend to be ad hoc and little attention is paid to possible disincentives to domestic production. In order to eliminate this dichotomy responsibility for food programmes should be brought into the Ministry of Agriculture".

As it was also explained to the Mission at the various meetings and intrances, GOL strongly disagrees with it on the following grounds. Firstly, the Government is operating a Food Management Unit under Cabinet which manages and coordinates food aid programmes. Secondly, food aid requests are appraised and coordinated also by CPDO. Moreover it is not true that the separation of food from agriculture is a serious impediment to the Ministry's effectiveness as an instrument of national development policy. The Ministry's primary responsibility is to develop agricultural production for food and raw materials. It is not essential for it to have the direct responsibility for food administration (or agro-industry in that matter\*) in order to formulate a food production policy which takes into account the country's supply and demand conditions. Its Economics and Marketing Division can very well establish, through research, the levels of consumption of particular products and provide guidelines as to the products for which there is deficit, which can be satisfied from imports either on a commercial basis or as food aid.

MOA itself does not have to administer food aid or control food imports. There are more than agricultural objectives in food (e.g. rural development, school feeding, strategic reserves, generating funds for accelerating agricultural development). Most of the major items received under food

\* As the latter would imply that the Ministry of Commerce & Industry should be incorporated into the Ministry of

aid (e.g. wheat and maize) are deficit items, which if not provided as grant would have to be imported and be paid for by the country. The question, therefore, is raised whether food production in Lesotho would have been greater if food aid had not been provided. We are of the opinion that it would not. Food aid acts as a disincentive if it undermines prices by enhancing supply. This is not the case in Lesotho, where, at least with respect to staple food items as wheat and maize, the country is a price-taker and aid provided is only a small fraction of the total requirement and production/ domestic supply short-fall.

Subsectoral and Project Performance

(pp 33 - 34)

Whereas the introductory statement in this section is correct, the statement that "The large-scale grazing projects in the highlands and lowlands over a period of several years have been ineffective" is not correct. There have not been any large-scale "projects" or grazing except for the on-going programme of rotational grazing.

Economics and Marketing Division

The recommendation in the Summary on p.7 and in the main text on p.31 that the Economic and Marketing Division should be brought up to the status of a department needs to be qualified as follows: The Economics and Marketing Division has been in operation for two years and covers sectoral planning for agriculture, policy, project and programme formulation and evaluation. MOA is not organised into departments. The highest form of organisational entity envisaged in MOA is a Division.

"Pirating" of MOA Staff (p.7 para 14.5 and p.37 para 23.2)

It is true that MOA has been losing qualified staff to the parastatals. However, government is now finding ways of ironing out the basic differences in working conditions in order to arrest the referenced "pirating".

5. AGRICULTURAL RESEARCH AND EXTENSION

The statement on p.8 that "The magnitude of investment in research is not reflected in a corresponding degree of research management" does not reflect adequately the fact that most of the problems including "weaknesses in research management" emanate largely from very inadequate staffing at various levels.

However, the suggestion that research activities should be organised and coordinated by a Department (should say a Division) under a Director is welcome. One must on the other hand be careful to recognise that this Division will concentrate on technical research (including ecological, climatic, economic and institutional aspects) and that other Division in the Ministry such as the Planning Division will utilize the results of the research for formulating policies, programs and sectoral plans to give effect to the findings of the Division of Research. Likewise, the technical Divisions, such as Extension, will disseminate the findings of Research. Needless to say that the Division of Research will derive its program content and priorities from the Sectoral Plan prepared by the Planning Division as formulated by the Ministry and the CPDO.

Finally, as to "Extension Organisation" on p.49 it should be noted that there are 10 Range Assistants (Certificate level), 11 Range Technical Officers and 60 Grazing Control Supervisors.

"Programme on agricultural practices designed for the most efficient farmers" (P.53) A very small percentage of farming households in Lesotho would be served under such a programme. This would not be in keeping with the objective of uplifting the quality of rural-life people by the policies government seeks to implement.

6. FOOD GRAIN: IMPLICATIONS OF SELF-SUFFICIENCY

No Comment.

7. MARKETING

Relationship of MCRD to Marketing Operations

On p. 66 paragraph 5 it is stated that "Operational responsibility for the marketing of crops has been transferred to Ministry of Cooperatives and Rural Development, with the Ministry of Agriculture retaining responsibility for price policy and marketing development".

In this instance, the feeling of government is that the responsibility of the Ministry of Cooperatives and Rural Development with respect to the operations of the Marketing institutions will be basically supervisory and promotional. The actual operational responsibility for the Marketing of crops is planned to lie with the Cooperative Movement.

Secondly, the Ministry of Agriculture will participate actively in the marketing policies through research and Consultative functions among others. The question of responsibility for price fixing is awaiting the report of the IFAD Marketing Consultants who are expected to make a recommendation which will take a number of considerations into account.

8. ROLE OF THE COOP MOVEMENT

Incorporation of LPMS into Coop Apex

The Mission suggests on p.76 and elsewhere that LPMS should be transferred to the new Coop Apex. As already pointed out to the mission, in fact the understanding reached is that, for a period, LPMS will continue as at present until the new Coop Apex (concentrating on crops marketing) has been fully operational and has demonstrated it can deliver the goods. Then consideration may be given to LPMS being converted to a Wool and Mohair Marketing, Coop Society or Societies. Being a special product marketing society the latter may then confederate with the Coop Apex.

CCPP & Production Coops

Regarding the statement on p.7 that "CCPP has been a financial disaster and counter-productive in relation to agricultural development goals" government feels that many useful things for agricultural development goals have been learned from the operating of the CCPP, despite the problems that have been experienced. For example it was demonstrated that per unit production of wheat could be improved on farmers' fields".

9. LAND TENURE

The government endorses the basic recommendations under Land Tenure, particularly since the final report of the Mission has incorporated many of the corrections and observations made on the initial draft.

As to the suggestion on page 90 regarding the reducing of livestock numbers as well as giving guidance for implementing the agricultural provisions of the Act, the relevant government Ministries are soon to produce "a plan for the phased implementation of the land reform programme, including target dates, accompanied by a budget which details the resources needed and an indication of the types of external assistance required" (p.85 paragraph 11).

10. LIVESTOCK GRAZING & OVERSTOCKING

Fencing and Rotational Grazing

Re statement on p.89 paragraph 7. It is not at all certain that rotational grazing and fencing failed to get the support of the people. In actual fact where there has been a well planned and managed rotational system it has enjoyed the support of the people e.g. Mokhotlong and Butha-Butha districts.

Measures to Reduce Pressure on  
Natural Grassland and Pastures (De-stocking)

The Mission suggests on p.94 paragraph 20 "that donors continue to provide assistance to projects designed to reduce the pressure of livestock on natural grasslands and pastures, but that they defer assistance to activities designed to increase production until a national will to correct the present situation has been demonstrated by enactment of the proposed grazing control and range management regulations and restriction of animal imports".

The government does not go along with this recommendation on two grounds which were stressed to the Mission in the course of their work. Firstly, that projects designed to reduce pressure on natural grassland must be implemented concurrently with those designed to increase productivity. If the desire to increase numbers of livestock arises from the desire to increase, or at least maintain, income (benefit) derived from livestock, reduction of numbers without concurrent increase in production per animal to compensate for the loss would be an unworkable solution. Consequently, this part of the recommendation is considered unrealistic and hence unworkable. On the other hand proposed indicators of the national will are being actively pursued.

Secondly, GOL is cognisant of the problem and has initiated some corrective measures. It is also ready and willing to take further steps, but technical and other assistance will be needed to formulate detailed livestock improvement and grazing control programmes. Such programmes must be not only economically but also socially feasible. But without such assistance, as a pre-condition, government will find the Mission's recommendation that "donors defer assistance for activities designed to increase production", unacceptable.

DECENTRALIZATION

No comment on the substance of the issue. The following minor comments have been made:

Composition of Thaba-Tseka Coordinating Committee

The composition as stated on pp 98-99 is completely wrong.

Decentralization Seminar (p.102 paragraph 12)

The Seminar was in fact held during July 8 - 12, 1980.

12. INVESTMENT PRIORITIES AND DONOR RELATIONS

The basic diagnosis is correct.

As to relationships with donors, GOL does not intend to prepare any formal statement except for statement(s) to be made by GOL representatives at the Donor Conference.

As to relations between other Government Ministries and their respective functions, these are well understood within government. However, attempts are being made to correct any factors that may cause overlapping in work schedules and Terms of references of the various Ministries and departments.

13. EMPLOYMENT

Net Income and Employment Potential

The calculations of net income potentiality quoted from T. Guma on p. 127 p. 9 are derived from Senqu Project farming practices, which are very inadequate. More recent investigations reveal that with more intensive methods, accompanied by the appropriate input and management practices, field level net income yields can be 200 - 300% higher than those reported by Guma for traditional dry-farmed crops and 300 - 600% higher for horticultural crops. The latter findings suggest that,

through the right farming practices, crop and livestock farming can generate an income which could form an acceptable alternative to migrant labour for a large proportion of the labour force. But admittedly a significant residual would remain, which would have to seek employment in non-Agricultural sources.

SPEECH BY THE HONOURABLE MINISTER OF TRANSPORT AND  
COMMUNICATIONS AND ACTING MINISTER OF AGRICULTURE.

Honourable Ministers,  
Your Excellencies,  
Distinguished Delegates,  
Ladies and Gentlemen

Last November, the Donors Conference, which was held here in Maseru, recommended that a special Donors Conference should be convened to discuss the Agricultural sector of our economy.

This recommendation was predicated on the premise that Agriculture played a very important role in the economy of Lesotho. It was further an expression of concern about the level of achievements that we have made in Agricultural development.

Motlotlhi's Government accepted the recommendation of the November Donors Conference. We accepted that recommendation because, we as a Government, share the concern of all donors who have supported us in Agriculture, about the level of food productivity in Lesotho.

We are proud that in this country we do not have the level of hunger and starvation that reduces men, women and children to conditions that defy any rational definition of humanity. We take no pride in the fact that on this continent, and on others, a large sector of mankind live in abysmal conditions of hunger - without clean water, food - and in conditions that provide no dignity for their human condition.

I must add also, and candidly state, that we as a Government cannot and will not accept, that this Kingdom, should be reduced to total dependence on food imports, or food hand-outs, to feed its people. Our responsibility in this regard, as a Government, as a nation, is clear. It is one we cannot avoid; it is a responsibility we can not shirk.

This nation cannot blind itself to the horrible spectre of the prospect of food shortage and hunger. Nor can we, as a people, abdicate from the obligation of evolving strategies for full food production.

Lesotho must undergo a renaissance; A renaissance of Agriculture. We as a people must re-create the Lesotho of early nineteenth century; A Lesotho that was the food granary of Southern Africa. We believe that we have the ability, the resources, and with the support of our friends we can achieve that goal. We have evolved strategies to achieve this objective.

I do not say to you that these objectives are sacrosanct; nor are they not subject to modification. But I want to assert that it is the people of this country that must take the final responsibility for evolving these strategies. That obligation and duty rest firmly with the people of this Kingdom.

In welcoming you, distinguished delegates and participants to this Donors Conference, let me say how much we appreciate the interest you are taking in food production in Lesotho.

I want to invite you to be as candid, in your remarks, as possible. We shall welcome your views, your advice. But above all we shall welcome your continuing support.

We have distributed a position paper which sets out the parameters within which we hope the deliberations of this Conference should take place. The underlying theme of this Conference, I propose, should be causes of slow growth in the agricultural sector and the problems and constraints which have inhibited growth in the past. I further propose that detailed discussions in your workshops should be conducted on the following specific topics:

- (a) The landbase condition, conservation and tenure system,
- (b) The human resource,
- (c) Production and marketing, including cooperatives and the village based management of resources, and
- (d) Investment and programming.

It is my sincere hope that out of your deliberations will emerge a blue print that we, jointly, can use in our efforts to strengthen not only in the agricultural sector of Lesotho but also in its economic and social development.

As I have indicated we derive no satisfaction from the level of our agricultural development. It was in this spirit that we welcomed the Multi Donor Conference Mission which visited Lesotho in April and May of this year. That Mission made an assessment of the problems being faced in the development of our agriculture. The Mission has prepared a report and has submitted recommendations for consideration at this conference. This report has been distributed to all participants and we look forward to frank exchanges of views on its substance. The visit of the Mission was the first step we have taken to give concrete expression to the concern which we, and the Donor Conference of last November, expressed on agriculture. There are other steps which we have taken.

We have brought the Land Act of 1978 into operation and a provision of systems and standards of cultivation which are conducive to improved agricultural production.

I should like to stress the significance of good management practices, education and a strong and efficient extension service, in efforts to increase food production and ensure the attainment of self-sufficiency in maize and sorghum production. This will greatly enhance our food security situation and thus meet one of Government's top priorities.

We are currently studying the infrastructural, budgetary and training implications of this land reform programme. We thus invite the Donor Community to join us in this exercise hoping that in the process, you will be able to identify areas of possible assistance in our humble endeavour. The agenda of this conference clearly underscores the importance we attach to this topic.

As you will probably have noted, we have embarked upon an important step in the programme for improving the productivity of our rangeland resources. Most importantly, we have promulgated the Range Management and Grazing Control Regulations 1980. This move was taken under the provisions of the Land Husbandry Act of 1969. The regulations introduce the permit system for graziers and provide for the control of livestock numbers on grazing lands as well as a reduction and gradual elimination of undesirable stock. We have already established a timetable, criteria and strategies for effecting this program and the Ministry of Agriculture is implementing it. Furthermore in support of this programme, we intend to institute measures to limit the importation of poor quality livestock from the Republic of South Africa and to introduce a method of taxation on livestock. In determining a proper rate of stocking for the range, we shall be guided by a Ministry of Agriculture publication entitled "Recommended Stocking Rates" referred to in the Government Position Paper.

We hope that these measures, will assist the biological control of erosion and the stabilization of the land base.

Excellencies, Ladies and Gentlemen. We have had considerable

discussion within the Government on organisational matters, and this has led to a restructuring of the agricultural extension and research services as well as to modifications in the planning system. This subject will be dealt with in greater detail in the course of current deliberations.

We have also initiated studies within the Ministry of Agriculture on such very important topics as employment generation and the role of mechanisation, and have further clarified our views on the cooperative approach to production and marketing. May I add, on this latter point, that we are fully aware that the cooperative approach to production and marketing has not been uniformly successful throughout developing countries. Nevertheless, we still feel that with good training and leadership it is the correct approach for us. First, our unique cultural identity provides us with a valuable cementing force. Second, the traditional, village based mode of life, where a cooperative approach to common problems is still prevalent, is ideally suited to the development of village based cooperatives. Third, with the growing scarcity of resources that now faces our increasing population, the only way that we can ensure an equitable distribution of the benefits from the resources we have is through the cooperative approach to production and marketing. I am sure you will find this topic of discussion a useful one.

Your Excellencies, ladies and gentlemen, I have outlined the salient aspects of the areas of consideration which we believe are in the right direction. I should like to urge honest counsel, patience and great vigilance in considering the subjects I have referred to. The Government would be reluctant to impose solutions to common problems on the people. Experience teaches us that change which is not fully supported by the community is divisive and counter-productive. We are on the verge of instituting some changes to some of our strongest traditions that relate to land rights in particular. It would be unfortunate, therefore, if these changes were to lead to a breakdown of our unique identity. The imperative need for popular participation in the policy formulation and development processes cannot be over-emphasised. The national Farmers Conference of January, 1979 and the decision to decentralise and reorganise the extension services are steps that were taken to increase the say of rural communities in national affairs.

I should like to conclude my remarks with these few words. Food production is of such vital importance that most other things, besides it, pale into the shadows of insignificance. For a people that is hungry lives on the margin of inability to produce anything else; A nation that cannot feed itself diminishes itself in self-respect - it, in the final analysis, reduces itself to a pawn to be used by others for their own self-interests.

Our determination, therefore, to ensure that Agriculture succeeds in Lesotho, is matched only by the iron purpose with which we mean to safeguard our sovereignty as a nation.

I invite you to march with us on the road towards reaching the goal of full food production in Lesotho. Hand in hand, the people, the Government of Lesotho and you the donor community, can do no less than succeed.

Let us merge our perceptions about the best strategies for agricultural development in Lesotho. Within the confines of this conference, let us debate in an atmosphere of candour. Let us differ, if necessary in views, but let us agree on objectives.

But we should not forget that food does not belong to the agenda of oratory. The availability of food is the frontier between human dignity and human debasement and degradation. In a sense it is the frontier between life and death.

Honourable Ministers, Your Excellencies, distinguished delegates and participants, let me end by expressing my sincere hope that the deliberations of this conference will result in an ambitious but realistic programme of action. A programme sufficiently ambitious to ensure that Lesotho goes beyond the horizons of self-sufficiency in food production; A programme that is realistic enough to satisfy the people of Lesotho that there shall be no chapter in the history of Lesotho headlined "They met and talked about food production and produced no food".

Lesotho's agricultural future is poised on the outcome of your present deliberations. The hopes of many Basotho hang on the balance. We shall either give them expectations for a better future or plunge them deeper in despair. That is the challenge before this conference.

October 24, 1980

Closing Statement by

Ambassador John R. Clingerman  
Head, United States Delegation  
Multi-Donor Conference on Agriculture

On behalf of the U.S. Delegation, I wish to take this opportunity to express our sincere appreciation to our host, the Government of Lesotho, for providing this occasion to discuss a topic of common interest and exceptional importance to all of us in the donor community.

An important outcome of this conference is that it has motivated the Government of Lesotho and participating donors to jointly focus on the priorities and objectives for development of Lesotho's agricultural sector. The conference has been very constructive in helping identify and define the major constraints that are impediments in achieving those sectoral objectives. However, more importantly, the forum has provided an opportunity for an open exchange of views on Lesotho's agricultural development problems and it has considered some mutually acceptable approaches to cooperatively work towards the resolution of such problems.

(at this point, Ambassador Clingerman departed from his script and pointed out the necessity for not only aiming development programs in Agriculture at the farmer, but also making sure that the farmer is involved in planning and implementing such programs.)

The statement made on behalf of the donor participants by the UNDP Delegate includes a series of suggested actions that the Government of Lesotho should urgently undertake to help get agriculture moving in Lesotho. These general recommendations are endorsed by this Delegation. Furthermore, we are offering to provide assistance to the Government of Lesotho in three specific areas that were mentioned in the joint statement and that were indicated in discussions this week as being of special concern to several conference participants. They are as follows:

First, to assist with a study and analysis of the availability and requirements of manpower in the agricultural sector with a view toward recommending a rational plan for the development and allocation of these scarce human resources.

Second, to assist with an assessment of organization, management and administrative systems and procedures in the Ministry of Agriculture with a view toward providing specific recommendations to strengthen the capacity of the Ministry to facilitate decision-making and actions related to policy and project implementation.

Third, to assist with a comprehensive review of ongoing and proposed agricultural research projects and programs with a view toward providing specific recommendations to establish an effective research management system and coordinate the profusion of various research activities.

It should be recognized that these are only initial steps to help identify specific measures that can be undertaken to alleviate obstacles to progress in selected problem areas. However, we expect that these proposals will result in a productive contribution leading to actions that will strengthen the capacity and performance of the agricultural sector in Lesotho.

Statement by Mr. Michael Doo Kibwe, Assistant Administrator of the United Nations Development Programme (UNDP) and Regional Director for Africa, on behalf of Donor Agencies and Financial Institutions attending the Lesotho Multi-Donor Conference on Agriculture (Maseru, 24 October 1980)

Mr. Chairman  
Honourable Ministers  
Excellencies  
Distinguished Delegates  
Ladies and Gentlemen,

It is once again my duty, actually a very pleasant one, to address this important gathering with a view to conveying, as in the previous Donor Conferences, the collective impressions of the participants representing Donor Agencies and Financial Institutions. I am most appreciative and grateful to the representatives of the Donor Community for their trust. I also wish to stress how much I value the great interest and seriousness with which they have carefully studied the documentation prepared for this meeting. Having had the privilege of cooperating very closely with them during the five days we have spent here, I can testify to their genuine concern for the development of Lesotho and for the well-being of the Basotho people.

It is in that spirit that I am asked to share with you, with the same candour as I have done in the past, the collective assessment of the situation by the Donor Agencies and Financial Institutions represented here.

There is no doubt in our minds that agriculture has a very important role to play in Lesotho. We all know however, that this important economic activity is not yet contributing, as it should, to the development of this country and to the improvement of the living conditions of the Basotho people.

That is the reason why we are <sup>37</sup> here. And I must express again as I did at the opening of this Conference, my delight that the Lesotho Government went ahead with the convening of this meeting as we all agreed last year.

The Multi-Donor Conference on Agriculture proved to be extremely useful as it provided us with the opportunity of examining in great detail "how to increase the contribution of agriculture in income and employment generation as well as to the attainment of self-sufficiency in food" in Lesotho.

It is appropriate in this respect to congratulate the Lesotho Government for the excellent arrangements made for the Conference as well as for all the measures taken to ensure its success. I would like to stress particularly the quality of documents submitted to the Conference by the Government and the calibre of Government's spokesmen on each of the issues that were discussed. The representatives of the Donor Agencies and Financial Institutions wish to express especially their deep gratitude to the Honourable Minister of Transport and Communications and Acting Minister of Agriculture, Mr. P.H. Peete for having made himself available as often as required, despite his many other duties, to respond to the queries of the participants and for the frank exchanges of views in hall with the Donor Community on the several occasions of his personal involvement in the Conference proceedings. The success of this Conference has achieved can be attributed in no small measure to the very efficient and courteous manner in which the different chairmen have presided over and guided our exchanges.

We also highly value the measures already taken by the Government with a view to overcoming the constraints that impede a sound development of the country's Agriculture. These include, in addition to the adoption of the Land Act by Parliament in 1979, the promulgation in 1980 of the Land Regulations and of the Range Management and Grazing Control Regulations.

Perhaps not such spectacular development landmarks, but nonetheless of great significance are measures now being implemented to decentralize government's agricultural services including, notably, rationalization of extension at the farmer level. I think I am echoing the donors' feelings when I say that these actions are a convincing demonstration of the Lesotho Government's will to implement practical measures to improve the country's agricultural performance.

The UNDP delegation has been very happy to observe the general agreement of both Government and Donors with the recommendations given in the Multi-Donor Evaluation Mission report. I think we are all satisfied that these recommendations provide a useful reference for Government to formulate agricultural policies and programmes and for Donors to identify opportunities for further cooperation with the Government.

While there are many possible initiatives and activities which have emerged during our discussions, the representatives of Donor Agencies and Financial Institutions feel that the Government should now move forcefully and urgently on a number of issues. In particular the Government should:

- 1) Prepare a detailed agricultural plan and component programmes, including a statement of priorities within the various sub-sectors;
- 2) Undertake a critical evaluation of its capacity to implement efficiently all on-going and projected activities, especially those involving Donor participation. Such an assessment would include an analysis of availability and utilization of human resources, including operational management skills.

4/...

- iii) Ensure, as a matter of urgency, the early implementation of Range Management and Grazing Control Regulations, particularly in mountain areas. Current Donor-assisted activities are seriously at risk until these regulations are enforced.
- iv) Ensure also, as a matter of urgency, effective planning, coordination and <sup>staffing</sup> management of research, as we all agree that appropriate research programmes are vital for agricultural improvement.
- v) Take appropriate measures to ensure that projects are implemented in time as Donors are concerned that failure to do this is very wasteful of resources. The improvement of Government's planning machinery, the coordination of projects within a given sub-sector (i.e. livestock, forestry, land conservation, etc.) the improvement of arrangements for consultations between Donors and Government, and the early implementation of the standard programme/performance/budget/monitoring procedures referred to in the mission's report (para 23, para 23.4) might go a long way towards achieving the expected result and to reassure Donors. In this context it is essential that the restructuring of the Ministry of Agriculture and consequent development of Senior Staff, as well as the arrangements for the relocation of the Mission Office in the Prime Minister's Office be completed as soon as possible.

In addition to the above-mentioned measures to which Donors urge Government to give priority attention, there are a number of issues which have been brought out during our discussions here on which the representatives of Donor Agencies and Financial Institutions wish to record their very serious concern.

1. It is the Donors' strong feeling that every effort should be made to maximize employment opportunities in formulating and implementing plans for the agricultural development.
2. It is also the feeling of Donors that the Land Act should not be used as an instrument allowing for ~~concentration~~ concentration of land in the hands of the most efficient farmers. Instead, the Government should prepare plans and projects specifically designed to meet the needs of the poorest sections of the population and improve their lot.

The Government should also prepare programmes for employment of women in rural areas.

4. Improvement and conservation of land base should be an essential criterion in all agricultural development measures.
5. Pursuing its initiative of consultations with farmers, the Government should see to it that farmers are systematically involved in the planning, design and implementation of programmes for agricultural development. In particular, the extension services and input packages need to be tailored to the <sup>specific needs of</sup> particular ~~areas~~ and farm environments.
6. It is recommended that the Government issue a policy statement on forestry development.

7. To allviate domestic budget shortages, early attention should be given by Government to revenue-earning.

8. The need to ensure greater stability and continuity in the staffing of the various Ministries.

The implementation of the various measures I just mentioned in conveying the collective views of Donor Agencies and Financial Institutions may appear a formidable task. The Donors wish to assure Government of their willingness to assist and participate as appropriate in the implementation of those measures calling for external assistance.

In the course of this session, the Head of ~~Chair~~ of the Donor Community Delegations intends to make a statement emphasizing his/her Agency's special concern and the specific role his/her institution may play in assisting the Government in its endeavours.

Since I have the floor, and having stated the collective views of the representatives of the Donor Agencies and Financial Institutions, I would like now to say a few words about the feelings of my delegation on a number of issues that were considered during this meeting.

SUMMARY REPORT

Explanatory Note By Rapporteur

For a number of reasons it has not been possible to produce a Summary Report in the final Plenary Session which presented a balanced account of major issues and conclusions.

This Summary Record should be accepted as a provisional checklist of subjects discussed and of actions taken on the Recommendations of the Multi-Donor Evaluation Mission.

If factual corrections are required, these will be incorporated in a revised version and sent to delegates next week.

A more detailed account of the deliberations of the Conference will be reflected in the final report.

## MULTI-DONOR AGRICULTURE SECTOR CONFERENCE

Maseru, Lesotho  
20-24 October 1980

### SUMMARY RECORD

#### Introduction

1. The Conference was convened by the Government of the Kingdom of Lesotho in cooperation with the United Nations Development Programme. Its purpose was to review through a frank exchange of views between the Government and Donor Agencies, the problems and constraints to development in the agriculture sector and joint action required to overcome them.
2. The timing of the Conference was related to the publication in June 1980 of the Report of the Multi-Donor Agriculture Sector Evaluation Mission. The Terms of Reference of this Mission had been approved by the Government and UNDP, and it had been agreed that the Report would provide the basis for Conference deliberations.
3. The Conference had before it a considerable volume of other documentation provided by the Government including its own comments on the Mission's Report. Also available to most delegates were copies of the ILO (JASPA) Report and the Drafts of the Agriculture Sector Review by the World Bank.
4. Participants in the Conference included 61 representatives of bilateral, multilateral and voluntary organizations and financial institutions, Ministers and senior officials of the Lesotho Government. A number of observers were also in attendance.
5. The Conference was opened by the Honorable Minister for Agriculture and Marketing who delivered a keynote address in which he summarized the over-riding policies and objectives of his government in promoting agricultural development. He proposed that the theme of the Conference be "The Causes of Slow Growth in the Agricultural Sector and the Problems and Constraints which have Inhibited Growth in the Past" and, further, that discussion be conducted at four workshop sessions, each dealing with a number of related topics arising from the Report of the Evaluation Mission.
6. Delegates then heard an address by the UNDP Assistant Administrator and Regional Director of Africa who, on behalf of the Donor Agencies and Financial Institutions, welcomed the initiative of the Government in hosting the Conference and expressed the hope that it would produce concrete results of value to all concerned with agricultural development in Lesotho.

7. Accepting the Minister's proposal and the agenda, the first Plenary Session, then adjourned.

WORKSHOP I

LAND BASE CONDITION,  
CONSERVATION AND TENURE SYSTEM

Chairmen: Mr. O. T. Sefako and Mr. Ntsane

8. Discussion was introduced by Mr. Taylor, a member of the Evaluation Mission, and on behalf of the Government by Messrs. Mosaase, Kao and Moche'elele. Reference was drawn to pages 79 through 94 and paragraphs 28 through 30 on page 13 of the Mission Report.

9. As the land base condition and the limitations imposed by it were well known, attention was directed primarily to the use of land by livestock grazing and measures proposed to reduce stock and improve its quality. While expressing serious concern about the continuing deterioration in the situation, the participants approved the recommendations on pages 93 and 94 of the Report, with the deletion of the second clause in Recommendation 20.

10. With regard to conservation, note was taken of the paper on this subject prepared by MOA and of references to it in the Mission's Report. Participants felt that top priority should be given to this serious problem, permeate all development activities, and be an integral component in the message of field extension staff.

11. Participants recognized that the Land Act 1979 represented a revolutionary change in the land holding system. While accepting that only a phased approach was feasible in view of the many factors involved, they urged that the Regulation be implemented as expeditiously as possible. The Minister of Agriculture and his colleagues replied to all of the many questions raised to the satisfaction of most if not all participants. They were in accord with the philosophy and objectives and with the plan to identify selected areas and to establish viable farm units with the assurance given that production efficiency would not jeopardize social equity and that no Basotho not allotted tenure would have to surrender his land. The Committee approved the views of the Mission on this subject (page 12 and pages 79-86) and the Recommendations 28 and 29 on page 13.

12. Finally, the workshop raised a question regarding self-sufficiency in food grains, an objective which was considered unrealistic by the Mission (Recommendation 18, page 62). In response, the Minister stated that the Government recognized that 100% self-sufficiency was not possible but would continue to seek the highest degree of self-sufficiency in all crops, particularly in sorghum and maize.

WORKSHOP II

HUMAN RESOURCES, EMPLOYMENT  
AND GOVERNMENT SERVICES

Chairmen: Mr. Ntsane, Mr. Thabane

13. The documentation of relevance to these subjects included: Evaluation Mission Report pages 36-38, 95-103, 122-136, 7-9, 14-15, Government Position Paper pages 4-6, and MOA paper "Recommendations to Government for an Agricultural Employment Strategy."

14. The first session of the Workshop was honoured by the presence of the Minister of Agriculture. He responded to questions and comments over a wide field, in several cases on subjects outside the realm of Workshop II. He took note of the difficulties being encountered by donors in project planning and execution, and he explained the Government's position on a number of major issues. The theme of this part of the discussion was joint action to make development more effective.

15. At the working session, the participants heard statements by Mr. Kitleli on training, Ms. Moshoehe on women's programmes, and Mr. Matholoane on employment.

16. On employment, participants first congratulated the Ministry on its excellent paper on employment strategy. Attention was then drawn to the table on page 131 of the Mission Report which graphically described the nature and dimensions of the problem and exposed the extremely serious situation which could develop were migrant workers to return to Lesotho in large numbers. This prospect, together with the Government's desire for self-sustaining growth, made it imperative and urgent to establish a manpower planning programme, expand employment opportunities and accelerate training at all levels, with both short and long term needs in mind.

17. Discussions on human resources and government services were directed primarily to the latter and specifically to those services needed to support development programmes. Serious difficulties and delays were being encountered in project formulation, approval and execution because of limited decentralization of authority, management weaknesses, inadequate services in research and extension, lack of continuity in the services of national project personnel, etc. Donors offered assistance to the Government in improving its management capacity and strengthening its project support services.

18. The Workshop approved the Mission's Recommendation 33 on page 15 and those Recommendations on pages 36-38 which were relevant to project services and which the Government found acceptable and feasible.

WORKSHOP III

PRODUCTION AND MARKETING INCLUDING  
COOPERATIVES AND VILLAGE BASED  
MANAGEMENT OF RESOURCES, AND RESEARCH

Chairman: Mr. Ntsane

19. After a brief introduction by Mr. Taylor, the participants gave attention in the first instance to research which they considered as an area requiring the highest priority and to which references had been made at earlier Workshop Sessions. Strong support was given to the Mission's recommendation that the substance, organization and management of research and extension be reviewed with the objective of improving these essential services. The Workshop approved the Mission's Recommendations 16, 16.1, 16.2 and 16.3 on pages 8 and 9 and Recommendations 21, 22 and 23 on pages 52 and 53, the last sentence of Recommendation 53 to be interpreted in the light of Recommendation 16.3

20. Participants noted that while reference to production and marketing appeared in several sections of the Mission's report, these subjects had been dealt with specifically under its Terms of Reference 5 and 6 and certain aspects of it under Terms of Reference 7. Discussion of these subjects touched on many issues including crops and livestock, production practices, degree of mechanization, marketing machinery including cooperatives, etc., a discussion which could only be adequately covered in the Conference Report. With respect to marketing, the Workshop approved the Recommendations 15, 16 and 17 on page 70 of the Mission Report.

21. In its consideration of cooperatives, the Workshop had before it the Government paper on "The New Co-operative Policy" which was supplemented by a statement by the Permanent Secretary of MRDC. It also took note of the findings of the Mission recorded on pages 71 through 78 of the Report. While agreeing with the Mission about the lack of real progress achieved in cooperative undertakings to date, participants recognized that the new policy, including village-based management of resources, reflect a commendable effort to capitalize on traditional customs and practices and to adopt the structure and operation of cooperatives to them. The Workshop approved Recommendations 20 and 21 on page 78 of the Mission's report and agreed with the Government that the pilot testing proposed in Recommendation 19 should be carried out concurrently with the first schemes.

WORKSHOP IV

INVESTMENT AND PROGRAMMING

Chairman: Mr. Ntsane

22. Introducing discussion, Mr. Taylor referred to Terms of Reference of the Mission 11 and 12, dealt with in the Report on pages 104 through 121 and to the Summary on pages 15-18. The Mission's findings covered institutional aspects and concentrated on problems in terms of activities, projects and priorities, but the conclusions should not be considered as definitive. There was little room for new ventures as on-going and pipeline projects dominated the scene. The Mission had found difficulty in matching projects with Government objectives and there appeared to be no relationship with capital investment in quantitative terms. He hoped that some re-formulation of projects would be possible and that they could be incorporated in the agriculture section of the Five Year Plan.

23. Noting a comment made on page 143 of the Mission's report which suggested donor assistance exceeded the capacity of the Government to utilize. The Permanent Secretary CPDC conceded that constraints to project execution could be traced to some lack of capacity within the Government. On the other hand, some constraints existed on the donor side. Late release of funds, delays in recruitment of project personnel being two of them. Constraints within the Government were due in large part to shortage of trained manpower. Donors could assist in training programmes and in the provision of technical advisers.

24. A listing of three categories of projects as well as of the Government's priorities was then reviewed. Amendments proposed by participants were noted and these, together with some suggestions regarding additional information required, would be incorporated in a revised version of the documents.

25. The Workshop proceedings were temporarily recessed to hear a statement on co-operatives by the representative of Danida and participants were invited to examine document "A Programme for Co-operative Development Support in Lesotho" in the light of earlier discussion of this subject in Workshop II.

26. The Workshop approved the Mission's Recommendations 37-61 on page 120 and Recommendations 43-46 on pages 17 and 18.

PLENARY SESSION

27. The Conference approved one additional Recommendation which had not been included in the Report of the Evaluation Mission. This was in the form of unanimous endorsement of the document entitled "Recommendations to Government for an Agricultural Employment Strategy" prepared by the Ministry of Agriculture, and of the specific recommendations contained therein.

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28. The Conference accepted the proposal submitted by UNDP that its final report should be prepared as a Blueprint for follow-up action in the agricultural sector by Government and Donors, present and potential. It would be prepared as quickly as possible in close cooperation with the Government and the draft circulated to donors for comments. The report would have the following format:

PART I

Government objectives, strategies and priorities for agricultural development in Lesotho, as far as possible under the headings in the Mission's Report.

PART II

Programmes of Action. Under the headings in the Mission's Report, recording as relevant the views of the Conference and taking into account the Recommendations in the Mission Report approved by the Conference and endorsed by the Government.

ANNEXES

List of ongoing projects with an indication of expected duration.

List of projects formulated or in preparation for which funds, in part or in whole, were available.

List of projects in the conception or formulation stages for which funds were still required.

Other Annexes which in the course of preparation were considered relevant.

ANNEX X

REFERENCES

- Report of the Multi-Donor Agriculture Sector Evaluation Mission, UNDP, Maseru, Lesotho, June 1980
- Lesotho Agricultural Sector Review, Vol. I - Main Report, Vol. II-Annexes 1 through 13, World Bank Report No. 3039-LSO, June and July, 1980
- Options for a Dependent Economy, Development, Employment and Equity Problems in Lesotho by the Jobs and Skills Programme for Africa; ILO, Addis Ababa, 1979
- The Lesotho Economy: Perspectives up to the Year 2000 and Beyond; Nicos Vassiliou, Agricultural Planning Economist, Advisor to the CPDO, Lesotho, December 1979
- A Programme for Cooperative Development Support in Lesotho by the Lesotho/DANIDA Prestudy Mission, September 1980, Maseru, Lesotho
- The Land Act 1979, Act. No. 17 of 1979, Government of Lesotho
- Range Management and Grazing Control Regulations 1980 issued by the Government of Lesotho
- The Land Regulations 1980 issued by the Government of Lesotho under the Land Act 1979, 22 August, 1980
- The Annual Budget Submission for 1982 issued by the USAID Mission, Maseru, Lesotho
- Lesotho Country Development Strategy Statement FY 82 issued January 1980 by USAID/Lesotho
- AID Assistance Program to Lesotho issued by USAID/Lesotho, Maseru, 3 September, 1980
- The Third Five Year Plan - Government of Lesotho Penultimate Draft, 1979
- The Third Five Year Plan Preview, October 1979, Government of Lesotho
- Lesotho's Agriculture, Research Report No. 2 by LASA Project 10/76 and numerous Project Papers, Project Evaluations and Project Reports

ANNEX XI

ON-GOING PROJECTS  
AND FUNDED PROJECTS

<u>Administration</u>		<u>Financing Agency</u>	<u>Short Fall</u>
- BASP	1,447,000	LG	
- BASP	3,655,986	BG	
- BASP	2,600,000	FRG	
- BASP	5,140,000	IDA	
- BASP	3,400,000	EDF	
- BASP	225,333	UNDP	
- Hololo Project	1,158,550	Irish	
- Village level food Preservation tech	42,680	UNICEF	50,000
Fertilizer Demonstration Program	447,388		
- Woodlots	62,000	LG	
- Woodlots	1,627,500	ABFOL t.l.k.	
- Intensive arable Area Conservation	1,000,000	BG	
- Land and Water Conservation	2,659,000	USAID	
- Farming System Research	6,865,545	USAID	
1. Livestock improvement Centres Phase I	155,931	LG	
2. Livestock Disease Control Phase I		BG	
3. District Bulking Stores Phase I	426,287	BG	
4. National Pig Herd Phase I	506,200	BG	
5. Livestock Procurement System	350,216	BG	
6. Revolving Fund		BG	
7. Mphaki		BG	
8. Rural Fish Ponds		BG	
9. Basotho Pony		BG	
10. District Veterinary Clinics		BG	
11. Livestock Procurement System		BG	
12. Woolsheds		BG	
13. Pig herd		BG	
14. BASP BLOCKS I II III V & VI		BG	
15. Hololo Valley Project		BG	
16. BASP Mapping		BG	
17. College Expansion		BG	

2

FORMULATED PROJECTS FOR WHICH THERE IS  
A FINANCIAL COMMITMENT

<u>Projects</u>	<u>Amount</u> <u>in Maloti</u>	<u>Donor</u> <u>Agency</u>	<u>Short</u> <u>fall</u>
1. Feed-lots	619,277	LG	
2. Feed-lots	4,500,000	ADB	
3. Land Conservation and range Development	12,700,000	USAID	
4. Agriculture Planning Project	6,200,000	USAID	
5. Land Use Planning	350,000	SIDA	
6. Forestry Development	350,000	SIDA	
7. Mountain Development Centres	384,000	BG	30,000,000
8. Apex Marketing Organisation	9,000,000	IFAD	

PARTIALLY FUNDED PROJECTS

1. Range Management	
2. Support to increasing fertilizer use	
3. Asparagus Field Services	
4. Agricultural Research	
5. Phuthiatsana Project	
6. Mountain Livestock Centres	
7. District Staff Housing	
8. Poultry Production	M2,275,000
9. Animal Health	
10. Maseru Abattoir	

NEW PROJECTS (UNFINDED)

- Beef Production
- Dairy Production
- Hatchery
- Other Poultry Production
- Slaughter Processing Plant
- Pig Slaughter/Processing Plant
- Improvements to Studs
- Promotion of local Breeders
- Mutton Production
- Wool and Mohair Tenology Unit
- Livestock Marketing Fund
- Wool and Mohair Purchase Fund
- Wool and Mohair Marketing Centre
- Poultry pathology laboratory
- Block IV BASP
- Land Tenure reforms
  - (i) Staff Training
  - (ii) Technical Assistance
  - (iii) Equipment, Office complex and registry building
- Food Strategic reserves (Maize Silo Storage)
- Plant Material Centres
- Labour Intensive Works
- Intensive Agriculture under Irrigation
- Cash crop Production
- Breeding Centres
- Public Administration Research and Curriculum Development Project (Decentralisation with agricultural emphasis)
- Training Centres (Cooperative Development Centres Women Training Centres)
- Staff Training (MOA & MOI MINCODEV)
- Farmer Training
- Upgrading of LAC into a Faculty of Agriculture
- Technical Assistance
- Fellowships
- Consultancies
- Income generating projects for Women
- Co-operatives Centres
- Tatoong and registration
- Strengthening Services

LESOTHO GOVERNMENT PRIORITIES

1. STABILISATION LAND BASE
  - (a) Landuse Planning
  - (b) Land Conservation and range Development
  - (c) Intensive arable Conservation
  - (d) Plant Material Centres
  - (e) Afforestation
  - (f) Land Reform Project
  - (g) Mapping Contingency
  - (h) Orthophoto Mapping
  - (i) BASP Mapping
  - (j) Photogrammetric Mapping
  - (k) Land and hervey Projects
  - (l) . Tatting and registration of Livestock
  
2. HUMAN RESOURCES
  - A. Public Administration research and Curriculum Development Project - Project Decentralisation with agricultural emphasis
  - B. TRAINING
    - (i) Training Centres (Cooperative Development Centre Women Centres)
      - Physical Structures
      - Training Personnel
      - Teaching Materials
    - (ii) Staff Training (MOA)
      - Management and Administration Skills
      - Professional Skills
      - Technical Skills
    - (iii) Farmer Training
      - Training of farmers with regard to land tenure security, credit facilities and availability of inputs and production skills
  - C. Upgrading of LAC (Lesotho Agricultural College) into a Faculty of Agriculture - Study to identify the needs of the faculty
  - D. Technical Assistance to man  
Research Division while local staff go on training  
Consultancies
  - E. Income generating Projects for Women
  - F. Agricultural Planning Project
  - G. Strengthening of Extension Services

3. Mobilisation of Local Financial Resources

- Lesotho Co-operative Credit Union League (LCCUL)
- Strengthening of Lesotho Agricultural Bank (

4. Installation of Production and Marketing

- Livestock Development Centres
- BASP
- Apex Marketing Co-operative Organisation
- Livestock Procurement System
- District Bulking Stores
- Livestock Improvement Centres
- Abattoir
- Hatchery
- Pig Slaughter House
- Poultry Slaughter House/Processing
- Feedlots
- Irrigation (Phuthiatsana Hololo etc)
- Wool and Mohair Purchase Fund
- Livestock Marketing Fund
- Wool and Mohair Marketing Centres
- Improvement to Studs
- Wool and Mohair Technology Unit
- Sheep scab Control
- Poultry Pathology Laboratory
- Intensive Production and Use of Crop residues
- Development of Beef Production Services
- Establishment of Breeding Stations
- National Herd (Breeding Stock)
- Dairy Plant
- Collecting Points
- Artificial Insemination
- Egg and Broiler Production
- Promotion of local Breeders

5. CO-OPERATIVE BUT JUDICIOUS EXPLOITATION OF NATURAL RESOURCES  
Formation of village cooperative (supporting services)
  
6. EMPLOYMENT AND INCOME GENERATION
  - Lesotho Co operative Handicrafts
  - Cash Crop Production (mushroom production,, feasibility study, Asparagus, Horticultural Production (etc)
  - Labour intensive Public Works (Labour Intensive Unit)
    - (i) Conservation works both construction and maintenance
    - (ii) Tree Planting, for fuel, erosion control or orchard establishment
    - (iii) Reservoir Construction and Works related to irrigation
    - (iv) Range land reseeding
    - (v) Fence Building)