

Lesotho: Sustainable Development Programme for the Mountain Areas

Item	Assessment Remarks	Rating
Country& Project Name	Lesotho: Sustainable Development Programme for the Mountain Areas (SADPMA)	
Loan No.:	481-LS	
Project Id.:	1022	
Board Date	Loan agreement signed in November 1998. Effectiveness delayed of two year due to political unrest in 1998/99.	
Effectiveness Date	February 2000	
Original Closing Date	September 2004	
Final Closing Date	September 2006	
Total Project Cost USD(M)	USD 10.85 million	
IFAD loan USD (M)	USD 8.41 million	
Cofinanciers (if any)	GoL USD 2.44 Million	
Implementing Agency	Ministry of Agriculture and Food Security (MAFS)	
Principal Components	The overall long-term goal of the programme was given as the alleviation of poverty among the rural population of the three targeted districts. It aimed at improving service delivery in order to increase agricultural growth and reduce poverty. Thus the main focus of the programme was on institutional support for the mechanisms of interaction with rural communities. SADPMA comprised four components: Crop Diversification and Production (5.8% of budget); Improved Livestock Production (11.7%); Agricultural Support Services (48.6%); and Local Capacity Building (33.9%).	
Project Performance		
Design	The SADPMA was designed as a five-year programme to support the GOL in the restructuring and capacity building of the agricultural support services as a contribution to the Agricultural Sector Investment Programme (ASIP) within the Ministry of Agriculture. It was to be implemented through the existing institutional framework, without creation of parallel administrative structures. The basic approach to rural poverty employed by SADPMA was to strengthen service provision in the programme area through investment in infrastructure and staff training. The decision to avoid the creation of project-specific institutions was significant in this respect. The strategy of using NGOs as development partners was sound but would have benefited from a better definition of modalities of engagement and a prior assessment of NGO capacities. The programme design did not recognise the need from the outset for a dedicated PCU with appointments made through open advertisement. Nor did it address the limited capacity that existed in the Department of Research or the absence of a dynamic private sector for the supply of agricultural inputs. In addition, SADPMA did not provide start-up funds to optimise the utilisation of micro-irrigation and community garden projects.	4
Implementation	Implementation was slow in the early years of the project due to the slow disbursement of programme funds. The supervision mission of July 2002 recommended partial loan cancellation. The problem appears to have been a reluctance, at central and district level, to undertake the additional workload brought by the programme in the absence of incentives. In 2003 the new Minister of Agriculture restructured the coordination unit, streamlined the flow of funds and accelerated activities, especially under the category of civil works. The training and capacity building budgets were increased and the programme completion date was extended by two years. The Loan agreement and Logframe were modified accordingly. In 2004/5 about 40% of the entire budget was spent in a single year. By 2006, 97% of funds had been spent. However, the need for urgency after MTR resulted in the over-emphasis on infrastructural schemes and to the over-reliance on NGOs in terms of training and research. The specific M&E system developed by an international consultant proved over complex in practice and was never utilised. A simpler version was produced by project staff.	3
Relevance	With its primary emphasis on service provision, infrastructural improvement and livestock development, the overall design of SADPMA was relevant to the needs of the rural population. The infrastructure investments made by the programme were also appropriately targeted. Programme interventions were broadly in line with government policy on poverty reduction as articulated in the Poverty Reduction Strategy Paper (PRSP) of 2003, and with the chief elements of IFAD's 1999 COSOP.	6
Effectiveness	The PCR's main impression is of a programme whose chief design features were appropriate and whose potential influence is large, but the effective implementation period of which was too short to result in measurable impact. However, according to the impact	4

Item	Assessment Remarks	Rating
Country& Project Name	Lesotho: Sustainable Development Programme for the Mountain Areas (SADPMA)	
	survey of 2005, programme activities reached around 20,500 households, or 77% of the target, and the survey clearly shows poverty levels to be lowest for areas with a high level of programme activity. Reduced incidence of poverty was evident among households benefiting from the Machobane system and new irrigation systems, as well as among the users of the rehabilitated woolsheds, and trainees under the various training programmes. The survey showed that the average value of household assets increased by 26% during project life in areas where the level of programme activity was high. The overall evidence therefore points to a programme which was on the right track, even if the progress made was not as great as anticipated and sustainability not fully reached.	
Efficiency	The PCR concluded that: a) the efficiency of the expenditure of 30% of the total project budget for the construction of 5 Agricultural Resource Centres, rather than upgrading 17 existing ones is still to be seen; b) the expenditure of 20% of the total budget on vehicles is explicable by the nature of the terrain and the pervasive lack of mobility, but motorcycles should have been preferred to 4X4 utility cars; c) over USD 1.5 million was used to hire NGOs which work proved costly relative to the benefits or did not match their Terms of references (ToRs); d) the total expenditure under the irrigation sub-component was much higher than budgeted. According to the 2005 impact survey, a little over 20,500 households (out of an original target of 26,000) were reached by the various programme activities, giving an approximate investment cost per beneficiary household of USD 2.7, but much of the investment was in infrastructure, vehicles and office equipment, the potential impact of which can hardly be measured in terms of direct beneficiary numbers. According to the PCR, no overall ERR for the programme is accurately calculable.	4
Partner Performance		
IFAD	The PCR assesses IFAD's performance in relation to project design and implementation. Project design is considered good, with minor exceptions. The decision for IFAD not to cancel all or part of the loan at a time when the lack of purposeful activity on the ground might have justified it, proved the right decision as the new Minister pruned project implementation with renewed commitment. Based on this little information, and given design shortcomings and insufficient funds for supervision missions as often as needed, IFAD's performance appears moderately satisfactory.	4
Cooperating Institution	UNOPS supervision missions were regularly carried out, but despite repeated and pertinent recommendations, they were unable to resolve the early problems of the programme, and a year went by before the threat of partial loan cancellation was urgently addressed. The supervision budget did not allow for the follow-up missions that were necessary in the initial stages, and the lack of consistency in supervision personnel was unhelpful. Since 2003, there has been greater consistency and a greater sense of urgency, and the performance of the cooperating institution has benefited from the MTR recommendation of six-monthly supervision missions. The MTR report was a comprehensive and useful document. Generally, the supervision process has been marked by a cooperative atmosphere, which continues during UNOPS supervision of SANReMP.	5
Government	The Government was slow to get behind the programme in its early stages, and the Programme Coordination Committee failed to provide the necessary leadership by addressing the key issues of the flow of funds and unfit management. The programme was only rescued from premature closure by the decisive intervention of the new Minister of Agriculture in late 2003, and this proved to be a turning point. Since that time, senior Government officials have displayed a keen interest in the progress of the programme and in its possible implications for other districts. A sense of 'ownership' of the programme by central and district level staff was aimed during the early stages. High staff turnover continues to affect service delivery in remote areas. The transfer of activities from one ministry to another during programme implementation negatively affected the performance of the National Registration and Marking scheme and Range Management activities. The transfer of responsibility for agricultural marketing to a division of the Ministry for Trade and Industry seems hard to justify in terms of efficiency and may prove disadvantageous.	4
NGO/Other	The three-year contract with GROW (an NGO based in Lesotho) had a total value of a little under USD 600,000. The bulk of the contract supported training. There was general satisfaction with the work carried out among district staff, PCU and supervision missions, with which the PCR mission concurs. The only shortcoming noted was in the analytical skills to interpret the small research component. The PELUM-Lesotho contract, with a value of some USD 450,000, was designed to implement the research component. The progress reports showed that PELUM (Participatory Ecological Land-Use Management program) partially addressed certain items of the terms of reference and ignored others. The PCR mission's assessment is that, although well-intentioned, PELUM and its partners had inadequate capacity to manage the research detailed in the TOR. MADF participation was problematic throughout the life of the programme and did not materialize as	4

Item	Assessment Remarks	Rating
Country& Project Name	Lesotho: Sustainable Development Programme for the Mountain Areas (SADPMA)	
	envisaged at appraisal. Contract terms were deemed unfavourable. MADF was expected to pre-finance all activities and claim on a reimbursable basis, but did not have the financial capacity.	
Cofinancier(s)		
Combined Partner Performance	<i>Combined partners' performance was not assessed in the PCR. From the information on the PCR, partners' combined performance appears moderately satisfactory with some shortcomings in relation to the performance of the Government of Lesotho (GoL) and the CI in the early years of project implementation and two of the NGOs which participated to implementation.</i>	4
Rural Poverty Impact		
Physical Assets	The major achievements of the Improved Livestock Production component have been the distribution and passing on of sheep and goats, the construction or rehabilitation of around 70 dip tanks and the boost given to woolshed operations. The rehabilitation and construction of woolsheds resulted in: (i) an increase in the percentage of households using woolsheds from about 43% in the baseline survey to about 55% by project completion; (ii) an increase in the number of wool and mohair producers; (iii) an increase in the number of sheep and goats shorn; (iv) increased income from fibres, probably due to increased yields per animal; (v) improvement in quality of mohair. The percentage of households using dip tanks reportedly decreased from 79% to 61% during the same period. Up to two-thirds of households interviewed in the impact survey reported tangible benefits from the community gardens. The programme rightly opted for existing techniques and locally available resources.	4
Financial Assets	Per capita income decreased by 70% between 2000/01 and 2002/03 and by a further 10% between 2003/05 in Thaba Tseka and Qacha's Nek, while Mokhotlong experienced a 20% increase between baseline (2001) and mid-term (2003), and a decrease of 10% between mid-term and programme completion. The cycle of drought, heavy rains and hailstorms was doubtless the major factor in these negative trends, but the slow start-up of the programme and the limitations of extension contributed. The impact survey indicated that the value of horticultural produce, on the other hand, had increased by an impressive 75% between the baseline survey and programme completion. Although the Machobane system involves small plots, the income realized is reasonably high by local standards. A balance between the relative increase in financial assets produced by the project and the great impact of natural phenomena is difficult to make. As natural phenomena are uncontrollable, taking into consideration only project activities, impact on financial assets appears moderately satisfactory.	4
Food Security	The impact survey reported that only 20% of households have achieved full food security, either from domestic production or through purchases, and the percentage of households producing enough grain for at least 6 months fell from 39% in 2000 to only 7% in 2004/5. The decrease is most likely attributable to the successive droughts. Villages with a high level of programme activity enjoy the highest food security status. Evidence from the impact survey also showed that the rate of severe stunting among under-fives was lowest in villages where there was moderate programme implementation. In these areas, backyard gardening, fruit growing and the production of maize and potato had increased following programme intervention, resulting in a richer and more balanced diet. A substantial increases both in the number of households growing vegetables and in the number of varieties grown can be expected to have a direct effect on nutritional levels.	3
Environment	The programme has addressed environmental problems in various ways. Soil and water conservation, pasture rehabilitation and anti-erosion measures have been undertaken. Nearly 500 ha of land were reseeded and nearly 1,000 ha of degraded land rehabilitated. Around 150 communal woodlots were established in the three programme districts, together with nearly 100 hectares of newly planted agro-forestry and 66 farmer-managed tree nurseries. The PCR reports that there was no large development that can be said to have had a negative environmental impact. Community awareness of the problem of erosion had increased as a result of programme activities. Nevertheless, the PCR concludes that there remains the main impression that these interventions have been on a very small scale in comparison with the vastness of the terrain and the probable extent of the problem.	3

Item	Assessment Remarks	Rating
Country& Project Name	Lesotho: Sustainable Development Programme for the Mountain Areas (SADPMA)	
Human Assets	Farmers have also been provided with training to ensure their effective participation in Community Action Plans. The project specifically targeted households whose members were affected by HIV/AIDS, through supporting the promotion of home gardening as a means for improved nutrition. An estimated 86% of the targeted demonstrations on backyard gardening were conducted and 74% of the targeted vegetable gardens and orchards established. Home-based care support groups were created and given training in counselling. Given the importance given to capacity building in project design, and the significant share of the project budget assigned to it, these results appear moderately unsatisfactory.	3
Social Capital and Empowerment	The programme completed around 200 Community Action Plans (CAPs), out of a target of 360. During the process of developing the plans, needs were identified and activities prioritised. Training programmes included the instruction of local authorities and herders on range management, training local facilitators on CAPs and conducting demonstrations on income generating activities and improved nutrition. According to the impact survey, about 31% of households across the districts had some knowledge of CAPs, 23% had received the relevant training, 23% were involved in their development and 20% in their implementation. According to the PCR, if these figures represent the true picture, they are commendable, given the lack of resources and experience available. SADPMA strengthened farmers' associations to prepare them for eventual ownership of the woolsheds and dip-tanks, which is the intention of the Government. In Mokhotlong, the programme supported four youth groups in establishing orchards and vegetable gardens through supply of seeds and seedlings.	4
Ag. Productivity	With a funding of only 5.8% of base costs, the crop diversification and production component budget was modest and the interventions therefore scattered. Most of the research budget was spent in contracting NGOs to undertake training, demonstrations and trials. A comparison by implementation level showed that yields for maize, wheat, and beans were highest where there had been high project intervention and lowest where there had been no intervention, as in other categories. Where there was a high level of intervention yields improved as follows: from 471 kg/ha to 537 kg/ha for maize from 503 kg/ha to 608 kg/ha for wheat and from 268 kg/ha to 431 kg/ha for beans. Yields of sorghum and potatoes also increased. In interviews conducted by the PCR mission, farmers reported improved yield levels and more resilient cropping systems with the implementation of the Machobane system. The lead farmers sell surplus chickens and eggs to other beneficiaries and the chickens are multiplied through cross-breeding with indigenous fowl.	5
Institutions and Services	A major achievement of the programme has been the strengthening of the Unified Extension Service, based on participatory processes and enabling implementing ministries to approach farmers as a single team. Relevant staff was trained in participatory techniques and as a result extension programmes are now informed by the needs of the farmers. Nine new district level positions were created directly as a result of SADPMA, and the programme has resulted in improved staffing levels in all three programme districts. The biggest beneficiary in terms of staffing was the district headquarters level, where senior posts were generally filled. Nevertheless, severe staff shortages at District level still exist, although it is reported that the recruitment and retention of staff is already becoming easier. The new Agricultural Resource Centres have the potential to become growth centres for rural development, and in some cases they are being used in this sense. According to the PCR, the appropriate actions will need to be taken not to miss this opportunity, and to try and avoid confusion and conflict among the institutions involved.	4
Markets	The lead farmers sell surplus chickens and eggs (deriving from the introduction of Plymouth chickens in all districts) to other beneficiaries and the chickens are multiplied through cross-breeding with indigenous fowl. The interventions are welcomed by farmers and the schemes seem sustainable. Pig production units, on the other hand, performed poorly in general. The piggeries tend to be located far from towns, remote from inputs, veterinary services and markets. They are owned by farmer groups, and the sense of individual accountability is weak. Insufficient attention has been paid to the marketing of both pigs and poultry, and marketing is also a concern with regard to the produce of the new fish-farming schemes.	2
Rural Poverty Impact		4
Overarching Factors		
Innovation	SADPMA introduced two significant innovations to the programme areas: (i) the development of participatory planning processes and of the UES; (ii) the principle that livestock farmers can be induced to practice efficient horticulture and undertake small-scale agro-forestry. Both these innovations are replicable throughout the country. Other innovations introduced by SADPMA into the highland areas include: (a) the utilisation and	3

Item	Assessment Remarks	Rating
Country& Project Name	Lesotho: Sustainable Development Programme for the Mountain Areas (SADPMA)	
	capacity building of NGOs; (b) an adapted version of the Machobane system; (c) the interplanting of grasses and trees for woodlots; and (d) training for herders in topics outside their normal activities.	
Replicability and Scaling-up	The IFAD-funded Sustainable Agriculture and Natural Resources Management Programme (SANReMP) has introduced a system of participatory community planning (including the development of CAPs) in three districts of the southern region, and has adopted strategies similar to those pioneered by SADPMA for the upgrading and utilisation of ARCs. The crops component of SANReMP also resembles the SADPMA formula in most respects. The Government intends that the CAP system should be extended to cover other districts and sectors. The ongoing programme of decentralisation provides a significant opportunity to build up community participation in determining the development agenda.	4
<i>Innovation, Replicability and Scaling-up</i>		3
Sustainability and Ownership	The sustainability of project achievements is dependent on various factors. The largest investment of the programme was in the capacity of MAFS to deliver services in the mountain areas, but the threat of high staff turnover continues to hang over the programme districts due to low remuneration, lack of incentives and restrictive working conditions. Ongoing local government reform may also pose a threat in this respect. Sustainability of interventions under the crops component will depend on energetic follow-up by extension services, evidence for which is currently lacking. There was limited crop production activity in a number of micro-irrigation projects initiated by the programme, and question marks over the ability of farmers to operate and maintain irrigation infrastructure. The maintenance of the woolsheds and dip tanks infrastructure, replacement of equipment when necessary and the continuing supply of trained personnel may prove problematic. Feasibility studies for the marketing of outputs were overlooked, compromising sustainability.	4
Targeting	The targeting strategy adopted by SADPMA was in essence regional, rather than being based on identification of especially needy communities and households. Given the nature of the terrain and the settlement patterns, as well as the original categorisation of around three-quarters of the highland populations of the targeted districts as very poor, this constituted an appropriate strategy. In the event, the targeting of horticultural and livestock production and irrigation schemes depended mainly on the suitability of the land and the receptiveness of participating communities. Overall the project was expected to benefit 26,000 households through increased on-farm food production, better nutrition, increased household income, expanded employment opportunities and a general improvement in welfare. The target group consisted mainly of rural households without remittances, with particular emphasis on farmers cultivating traditional rainfed plots of limited size and women headed households facing food insecurity, with limited access to land and without off farm incomes.	5
Gender	The PCR addresses gender issues very briefly and in relation to only some activities. Women were the chief beneficiaries of SADPMA interventions under the crops component and accounted for two-thirds of the trainees for the Machobane system. Women reported advantages in yields produced, diversification of crops and all year round crop production. Surprisingly, for a traditionally male pursuit, women also featured largely in grazing associations. For example the membership of the association at Sehlabathebe comprised 40% women, who occupied the positions of treasurer, secretary and advisor.	5
<u>Overall Performance</u>		4
Estimated number of beneficiaries	20,500 households.	
<u>PCR Quality</u>		
Scope	The PCR follows the new guidelines. It provides also the expected annexes - all but the annexes for Impact on the Environment and Actual project costs.	5
Quality	The PCR is concise while containing all the relevant information. Overall good quality	5
Lessons	The PCR provides a detailed list of lessons for almost all aspects of the project. The lessons appear relevant, although in some cases more adequate to a mid-term review or an interim evaluation as they seem to expect a second phase or some continuation of the project.	3