

Kingdom of Lesotho

Sustainable Agriculture and Natural Resource Management Programme Project Performance Assessment

Executive Summary

1. The Kingdom of Lesotho is a landlocked, mountainous country completely surrounded by the Republic of South Africa, with a population of 2.1 million. It is just over 30,000 km² in size with only about 25 per cent of the country's landmass having agricultural potential and most of it is severely degraded. The economy of Lesotho is based on agriculture – mostly traditional, low input, low output, rain-fed cereal production and extensive animal grazing – manufacturing and mining, and depends heavily on inflows of workers' remittances and receipts from the Southern African Customs Union (SACU). Gross domestic product (GDP) grew 3.7 per cent in 2011 and 4 per cent in 2012. Despite its middle-income status, Lesotho still has one of the highest levels of inequality, with about 60 per cent of the population living below the poverty line of US\$1.50 per day. Lesotho has the third highest HIV adult prevalence rate in the world at 23.6 per cent, according to the 2012 UNAIDS report; specifically, an estimated 360,000 people are living with HIV, of which 38,000 are children. Life expectancy at birth has declined by more than 20 years to 41 years over the past decade.
2. **Programme description.** IFAD has been active in Lesotho since 1980, supporting agricultural development by investing a total of US\$60.3 million in eight programmes and projects (five closed; one completed; two ongoing). Currently the total active portfolio stands at US\$35.2 million, of which IFAD finances US\$18.7 million. The Sustainable Agriculture and Natural Resource Management Programme (SANReMP) was the sixth IFAD-funded project in Lesotho. It was approved by IFAD's Executive Board in December 2004, and implemented over six years, from May 2005 to June 2011. The **overall goal** of the programme was to improve food security, family nutrition and incomes for rural households in the programme area to near, or above the national poverty line. The **programme area** was defined as including three of Lesotho's ten administrative districts, namely Mafeteng, Mophale's Hoek and Quthing, located in the south of the country; the three selected districts account for about 30 per cent of the total population. The **target group** consisted of 88 per cent of the population in the programme area, classified as either landless, below subsistence, subsistence or small-scale farmers operating on less than 2 hectares (ha) of land.
3. The planned programme cost was US\$12 million, including an IFAD loan of SDR 6.8 million, equivalent to US\$10.13 million. The actual total cost was US\$14.29 million, with an additional contribution from the Government of US\$2.3 million.
4. **Programme outputs.** Available performance data is limited to outputs of activities that were supported directly by the SANReMP, such as demonstrations, areas of reseeded rangelands and pastures, number and area of homestead gardens, seed multiplication and nurseries and number of pigs, poultry, rams and bucks that were distributed to beneficiaries. Major programme outputs include: (i) preparation of 25 Community Action Plans (CAPs), covering 222 villages with about 9,300 households; (ii) training of some 7,000 people in field crop, fodder, fruit and vegetable production, pest and disease control, irrigation techniques, animal husbandry, including shearing and wool and mohair classing and community Animal

Health Workers (CAHWs) for first-line service and disease reporting, soil and water conservation, rangeland management, post-harvest processing and storage; (iii) assistance to 650 households to establish or improve homestead gardens, including provision of seed of new vegetable varieties and tools; (iv) establishment of 7 community gardens for production of vegetables and fruits; (v) establishment of 3 gravity-fed irrigation systems, covering 37 ha of land; (vi) livestock distribution for enhanced food security and income, including 10,000 dual-purpose chickens (hens and cocks), pigs, sheep, goats and 306 rams and 176 bucks to 35 associations for genetic improvement; (vii) construction of 5 new and rehabilitation of 19 woolsheds; (viii) construction of 95 small dams and ponds and de-silting of 9 dams for irrigation of homestead gardens and watering livestock; (ix) construction of 108 roof water harvesting tanks to water homestead gardens; (x) construction of stone walls, silt traps and gabions to control the velocity of runoff water and trap the soil; (xi) reseeded of 222 ha of degraded land with grass and planting 51,000 trees to hold the soil together; (xii) formation of 6 new Grazing Associations and revival of 5 others for the proper management and conservation of rangelands; (xiii) establishment of 21 nurseries, owned and operated by individual households and 22 community woodlots; (xiv) construction of 7 new ARCs complexes with office facilities and staff housing and purchase of 9 vehicles and 22 motorcycles to ease transport constraints.

5. **Relevance.** SANReMP objectives were relevant to Lesotho's strategic priorities, IFAD's country strategy and the beneficiary needs. At the same time, there were design deficiencies mostly related to human resource constraints, qualification and skills of staff engaged in extension services, the lack of transport facilities, the quality of existing resource centres and failure to provide any criteria in terms of matching appropriate interventions with the capacity and interest of selected beneficiaries.
6. **Effectiveness.** SANReMP has yielded, overall, mixed results, skewed more on the negative side. On the positive side, the programme offered extensive training of farmers on a variety of subjects, although not very effective, supported the establishment of key-hole and homestead gardens, establishment of irrigation systems, reseeded of pastures and rangelands, and distributed improved seeds, seedlings, poultry, pigs, rams and bucks in combination with inputs and training.
7. **Efficiency.** Crop and livestock enterprises that have potential as market-oriented activities, namely piggery, poultry and vegetable production can be viable and give acceptable returns to farmers, but require substantial outlay of cash to buy commercial inputs, as well as a high degree of skills and commitment on the side of the farmer.
8. **Impact.** Despite the absence of measurable data, SANReMP's impact on agricultural activity, human capital improvement, food security and rural income is evident. The programme has trained, built capacities and imparted knowledge to farmers, producer associations and committees in the use of high value vegetables and fruit trees, increased animal production and improved handling/management.
9. **Sustainability.** SANReMP's core productive activities, including vegetable and fruit production, post-harvest processing and nurseries, broilers, layers, pigs, wool and mohair improvement activities run by individual households or beneficiary associations with commercial orientation have good potential for continuing in the future.
10. **Innovation and scaling up.** SANReMP has introduced a number of innovative activities, e.g. low-pressure, gravity-fed irrigation systems, fruit production, pasture reseeded, shearing sheds and training of wool and mohair shearers, classers and CAHWs with good potential for replication and scaling up at community and individual level.

11. **Gender equality and women's empowerment.** Gender equality and women's empowerment was not a focus area for SANReMP and was not mainstreamed in programme activities in any of its stages (from inception to completion). Thus, the high 60 per cent participation of women in the programme's activities did not comprise a programme target. It simply reflected the prevailing situation in the country where women are highly active in the daily running and the survival of the households.

Main recommendations

12. **Institutional framework should ensure ownership at all levels.** Although, programme implementation was carried out by established government institutions, ranging from the local chiefs, district administrators to the various ministries and agencies in Maseru, the SANReMP was not well integrated in government operations due to poor ownership and poor coordination amongst the central and district-level institutions. Efforts made to integrate land and water activities with crop and livestock production had limited success due to poor coordination between the MAFS and the MFLR. In order for an innovative framework to work, it should be accompanied by appropriate support and capacity-building for all the stakeholders and be continuously followed up.
13. **Cost-sharing and beneficiary contributions must be clearly defined, enforced and recorded.** In order to ensure the sustainability of services following programme completion, it is advisable to institute cost sharing principles and user fees from the outset of implementation, to the extent feasible. The enforcement and the keeping of records for beneficiary contributions assist farmers to take ownership and responsibility for the assets they receive. The strict application of full cost recovery for services may encourage beneficiaries to form groups or associations to facilitate the provision of services.
14. **Future IFAD operations in Lesotho should support market linkages and value chain approach.** Marketing under the SANReMP was touched upon very slightly, mostly in connection with the wool and mohair growers associations. Future IFAD-funded projects need to provide institutional support for various marketing activities at several levels including assistance to farmers, farmer groups and entrepreneurs for establishment via credit and initial operation of marketing associations of agricultural produce or purchase of inputs, private small and medium scale processing plants and quality testing. Development interventions that support market linkages and the value chain approach can bring closer the rural entrepreneurs and PFIs and stimulate diversification and investments that would lead to availability of market produce and the strengthening of rural enterprises.
15. **Rural financial services.** The lack of short- and medium-term finance is a serious constraint to the access of inputs on which increased productivity is largely dependent. Landless and poor farmers need to rely on credit opportunities for on-farm investments and off-farm income generation. The absence of a credit component from SANReMP design exacerbated the lack of cash for the poor beneficiaries and discouraged any on-farm and off-farm investments. Therefore, the availability of a rural financial services delivery system is an important tool for poverty reduction.
16. **IFAD visibility.** SANReMP productive resources were spread too thinly so that programme visibility was not easily seen. IFAD's activities in Lesotho are not well-known to the programme beneficiaries and clients, let alone the general public. In future, IFAD's operations in Lesotho could benefit from a more proactive communications and dissemination activity and resources should be invested in a manner that would enhance the IFAD visibility in the country.