



Deepening Decentralisation and Non State Actors Project

TERMS OF REFERENCE

Assessment on the effectiveness of the Agricultural input subsidy program

1. Background and Context

The Lesotho Council of NGO's is umbrella body for civil society organisations in Lesotho, the organisation was established with the objective to provide supportive services to the NGO community in Lesotho through networking, leadership, information dissemination, capacity building, coordination, advocacy and lobbying, and representation when dealing with the international community and government.

LCN is implementing a project titled Deepening Decentralisation and Non State Actors with support from European Union. The overall objective of the project is to enhance participation of Non State Actors (NSAs) in contributing to poverty reduction at community level. The project is aimed at promoting constructive engagement in local government as a way of improving accountability and transparency. In a democratic country like Lesotho, it is expectation of every citizen to participate in any development decisions that are meant to address poverty or any matter that can ultimately affect their life. Democracy has a meaning to ordinary public only if it delivers on its promises. It has been noted that in most democracies focus has been on political freedom. However issues related to service delivery have been lacking behind.

In Lesotho, 77% of the population lives in the rural areas; almost all of them rely on subsistence agriculture as a source of livelihoods. Lesotho's agriculture sector consists mainly of crops and livestock sub-sectors with crops contributing 50-60 percent and livestock contributing 30-40 percent GDP. In the 1980s the contribution of agriculture to GDP averaged 20% but started declining in the 1990s. It is often asserted that agriculture is the backbone of the rural economy. However, in recent years this assertion has been questioned, largely as a result of the poor performance and output of the sector. More importantly, the performance and output of the agriculture sector has been declining over the years and has not kept pace with the growing population. At the turn of the 20th century Lesotho was a net exporter of grains to the mining and industrial towns of South Africa. Currently many farming households can hardly feed themselves from their own produce for more than six months. In an attempt to improve this situation, the Government of Lesotho engaged in Universal Agricultural Input Subsidy, advocating for intensive crop production in the country categorized into 3 distinct approaches.

- **Approach 1** – Government share cropping with field owners
- **Approach 2** – Block Farming where commercial farmers share crop with field owners or hire fields from the field owners in the selected areas in 10 districts with potential for massive cereal production
- **Approach 3** – Individual farmers who do not fall in Approaches 1 & 2. Farmers who do not intend to give their fields to government share cropping or to Block farmers fall in this category.

For this arrangement, the government subsidized Agricultural inputs (seeds & fertilizers) at 50% of the market price as well as mechanical operations at 50% of the approved charges by the ministry. This programme has been characterized problems including delays in input distribution, delays in payment of the machinery owners (contracted by the government) prompting them to develop less interest and other challenges surrounding private vendors who were tasked to sell inputs. In 2014/15, the government is in its third year of the subsidy programme, and is set to continue for the foreseeable future. Given the importance of the agricultural sector to food security in Lesotho, and the role of the subsidy program in supporting this industry, it is important and timely to evaluate the effectiveness of the subsidy program to respond

adequately to the food security needs of farming households and Basotho. The outcome of this evaluation should be recommendations to the Ministry of Agriculture and Food Security on the best way forward for the program.

2. Purpose of the assignment

The purpose of this assignment is to engage a short term consultant to conduct a study that will assess effectiveness of the Agricultural Input subsidy program from the period 2012/13 to date. The study should focus on the success of the subsidy program in improving food security and agricultural productivity in Lesotho. The key instruments, policies and strategies including Food Security policy (2005) and The National Action Plan for Food Security (2007 -2017) will be helpful in this study.

3. Specific Objectives

- To evaluate the effectiveness of each of the categories of the Subsidy program, including identifying any barriers.
- To evaluate the effectiveness of the current system of input distribution
- To assess the extent to which the programme responds to household food insecurity
- To make recommendation on the structure of the program, including, but not limited to:
 - The suitability of the three categories to achieve program goals
 - Whether the current subsidy of 50 percent achieves optimal program outcomes
- To make recommendations on the Ministry of Agriculture and Food Security's implementation of the programme

4. Key Deliverables

- Report responding to the specific objectives (as above) (2 hard copies) and a soft copy in a form of a disc.

5. Location of the assignment

The assignment will be implemented the 2 Community Councils of the mentioned districts; Leribe, Botha Bothe, Mokhotlong, Mohaleshoek, Mafeteng, Maseru. (12 Community Councils in total).

Time frame of the assignment

2 months (June and July)

6. Reporting

The Consultant will report to the Programs Director but will work directly with **Agriculture, Environment and Natural Resources Commission Coordinator**. The table below summarises reports that shall be submitted by the consultant and timeframes for submission of such report.

Submission	Timeframe
Inception Report with incorporation of a detailed work plan	Within 5 days of contract commencement
Draft report of the activity	After 6 weeks of the contract commencement
Final Report	5 days before contract close out

7. Assessment requirements

Consultant must produce:

- Technical proposal that outlines methodology and work plan.
- Financial proposal.
- Curriculum vitae

8. Profile Consultant

Consultants should possess the following attributes:

- Relevant post-graduate degree,
- Significant experience in conducting Research in similar areas

- At least five years practical experience in development with particular emphasis on the NGO sector and local community structures.
- Demonstrated knowledge of data analysis methods and report writing.

10. Payment schedule

- 30 % of the contract amount shall be paid upon submission of inception report.
- Another 30% shall be paid upon submission of the draft report
- And the 40% of the contract amount shall be paid upon submission and approval of the final report